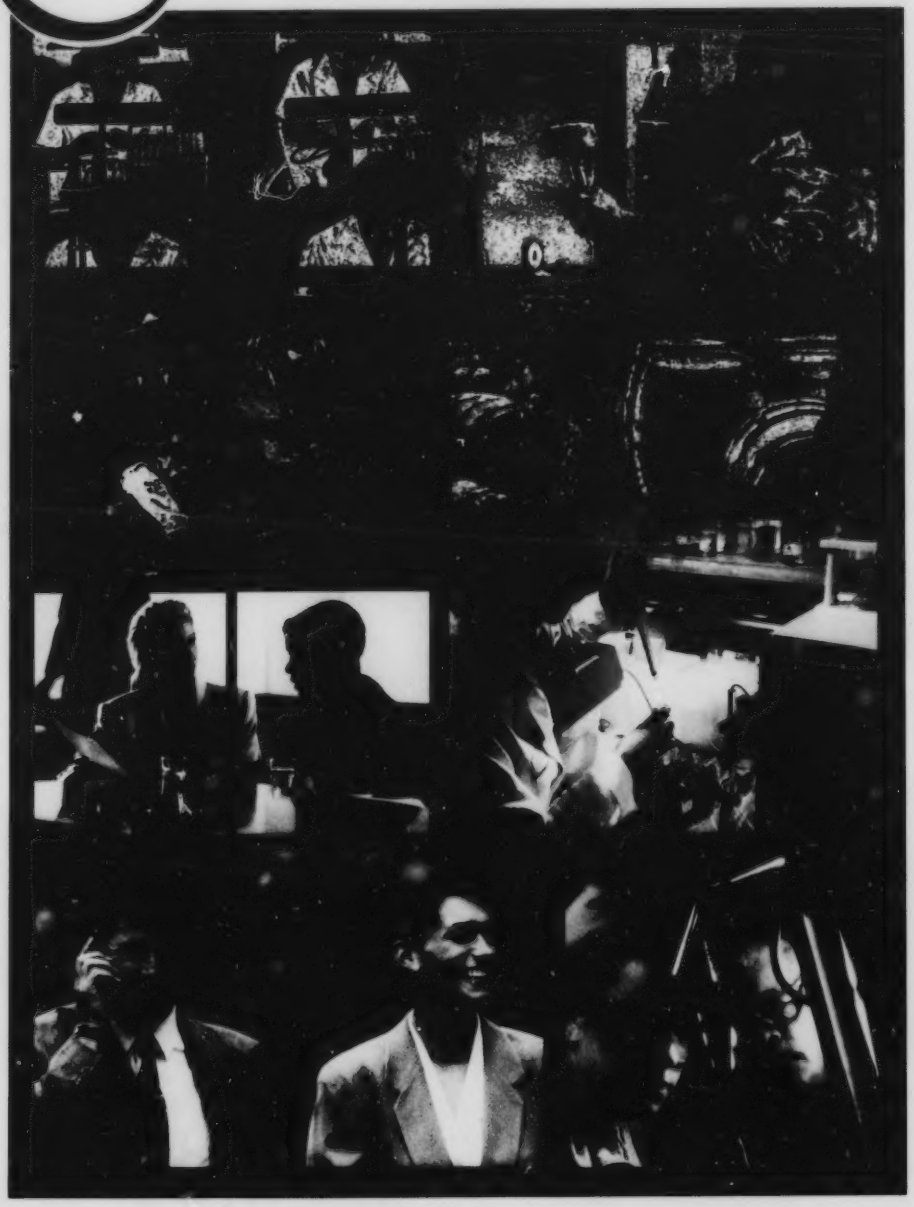
Workplace gazette

An Industrial Relations Quarterly

Spring 2002

Vol. 5, No. 1

- Productivity– Training, Retraining and Educational Leave Provisions
- Contracting-Out Provisions– A Moving Target
- Hard Times for Trade Unions– Nadir or New Era?



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AT A GLANCE

The *Workplace Gazette* presents a wide range of information and analysis to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

The *Workplace Gazette* includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming key negotiations and other related topics.

This issue includes the annual and fourth quarter data for 2001 on wage adjustments in major collective agreements, both current and historical by public and private sectors, by region, by jurisdiction and by major industry. Also included, is a listing of major settlements reached in the fourth quarter of 2001; an overview of selected provisions featured in current collective agreements, as well as information on work stoppages for the third and fourth quarters of 2001.

Innovative practices in the workplace resulting from collective bargaining are summarized. A comprehensive review of training, retraining and educational leave provisions is presented by M. Gervais. Contracting-out provisions at various points in time are analyzed by P. Jalette and P. Warrian. Also, this issue includes a commentary by Roy Adams on the future of trade unions.

Case studies include a partnership project involving a regional railway and grain system and its various unions and an initiative on conflict resolution involving the Saskatoon District Health and its various unions.

Recent changes in Canadian Labour Laws focus on adopted bills, regulations and other statutory instruments. Yesterday and Today focusses on the history of public pension plans in Canada.

The departmental library is featuring a selected annotated bibliography on violence at work.

Workplace Information

Information sur les milieux de travail

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MAJOR WAGE SETTLEMENTS—ANNUAL AND FOURTH QUARTER 2001*

Overview

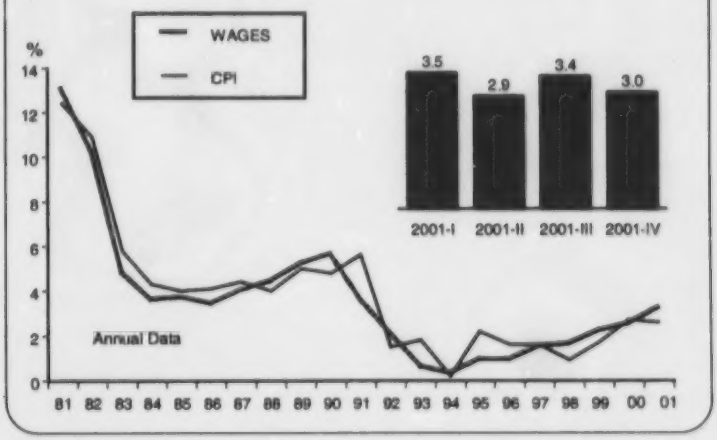
Major collective bargaining settlements reached in the year 2001 provided base-rate wage adjustments averaging 3.2 per cent annually over the contract-term, an increase from the 2.5 per cent average for the year 2000.

The results for the year 2001 are based on a review of 397 agreements covering 954,490 employees.

The average wage adjustment in the year 2001 was above the average in contracts they replaced. When the parties to the year 2001 settlements last negotiated, the resulting wage adjustments averaged only 1.9 per cent, compared to the 3.2 per cent adjustment in their year 2001 contracts.

Chart A

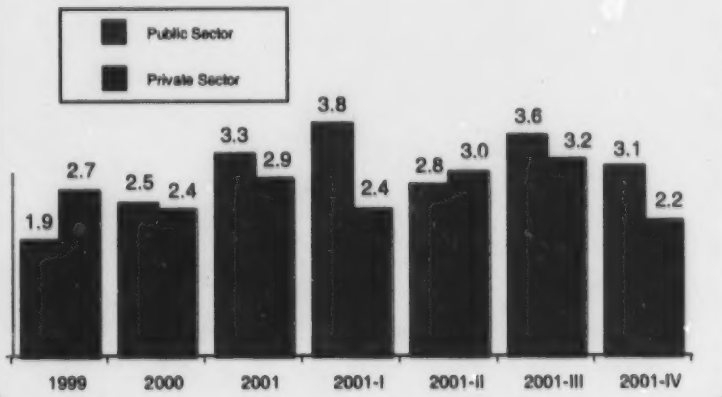
Major Wage Settlements
Average Annual Percentage Adjustment in Base Rates



Wage increases have risen moderately but steadily since the record low of 0.3 per cent in 1994. However, the 3.2 per cent gain in year 2001 remains well below the most recent annual peak of 5.6 per cent in 1990.

Chart B

Major Wage Settlements by Public/Private Sectors
Average Annual Percentage Adjustment in Base Rates



Public and Private Sectors

From 1991 to 1999, wage adjustments in the private sector have been above those in the public sector. This changed in the year 2000 when public-sector wage increases averaged 2.5 per cent, slightly above those in the private sector at 2.4 per cent. In 2001, public sector increases (3.3 per cent) remained above those in the private sector (2.9 per cent)

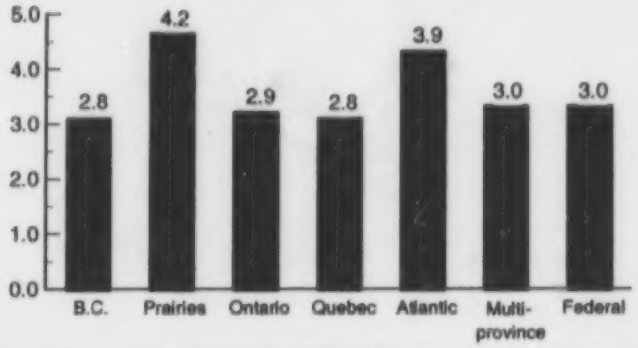
* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

Wage Adjustments by Region/Jurisdiction

On a regional/jurisdictional basis, the largest increases were in Alberta (averaging 5.1 per cent). The smallest wage adjustments were in Manitoba (averaging 2.3 per cent). In other 2001 settlements, wage increases in the Atlantic Provinces averaged 3.9 per cent; Ontario wage settlements averaged 2.9 per cent and the three Prairie Provinces as a group averaged increases of 4.2 per cent.

Chart C

Major Wage Settlements by Region/Jurisdiction
Average Annual Percentage Adjustment in Base Rates

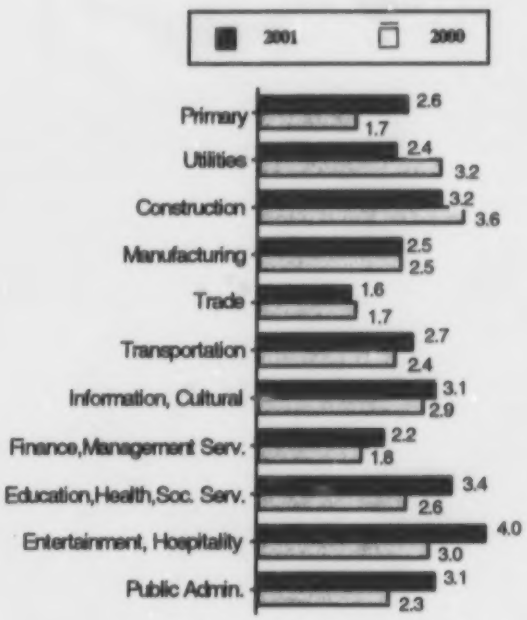


Wage Adjustments by Industry

On an industry basis, the largest concentration of employees was in **education, health and social services**; 164 agreements provided 399,870 employees (41.9 per cent of all employees covered) with wage adjustments averaging **3.4 per cent** The largest average increase was in the **entertainment and hospitality** sector with only 4 agreements providing 6,350 employees with wage increases of **4.0 per cent**. The second largest concentration of employees (19.1 per cent of employees) was in **construction**; 55 agreements provided 182,010 employees with wage increases averaging **3.2 per cent.** All remaining industry sectors had adjustments below the national average. In both **public administration**, and the **information and culture** sectors, wage increases averaged **3.1 per cent**. In **transportation**, wage increases averaged **2.7 per cent**; in **primary** industries, **2.6 per cent**; in **manufacturing, 2.5 per cent**; in **utilities, 2.4 per cent**; in **finance, 2.2 per cent** and in **trade, 1.6 per cent**.

Chart D

Major Wage Settlements by Industry
Average Annual Percentage Adjustment in Base Rates



Fourth Quarter—2001

- The collective agreements reached during the fourth quarter of 2001 provided base-rate adjustments averaging 3.0 per cent
- The fourth quarter results are based on a review of 71 agreements covering 230,710 employees
- Public sector wage adjustments averaged 3.1 per cent in the fourth quarter, compared to 3.6 per cent in the third quarter
- Private sector wage adjustments averaged 2.2 per cent in the fourth quarter, significantly lower than the 3.2 per cent recorded in the third quarter

Chart E

Major Wage Settlements by Jurisdiction
Average Annual Percentage Adjustment in Base Rates

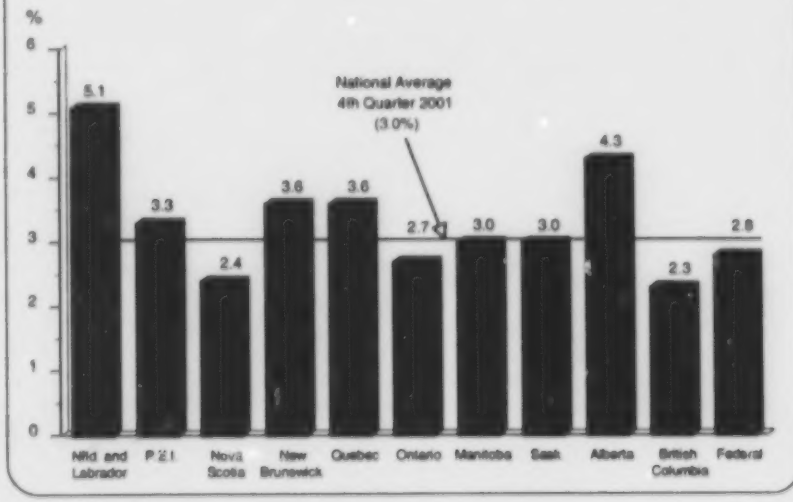
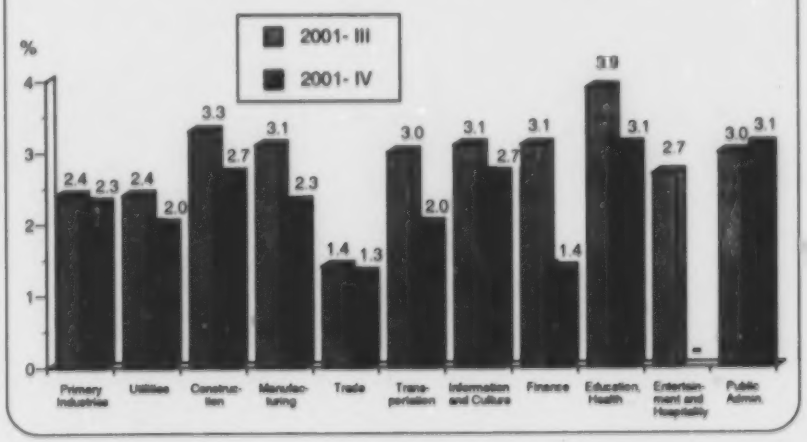


Chart F

Major Wage Settlements by Industry
Average Annual Percentage Adjustment in Base Rates



- On a regional basis, average wage adjustments were highest in Newfoundland and Labrador at 5.1 per cent and lowest in British Columbia at 2.3 per cent
- On an industry basis, the largest average wage adjustment was in the education, health and social services, and the public administration sectors, both at 3.1 per cent, while the smallest was in the wholesale and retail trade sector at 1.3 per cent

Wage Data for the Year 2001 for Small, Medium and Large Size Bargaining Units

Small bargaining units were introduced in the year 2000 in response to client consultations requesting such information and to reflect the distribution of smaller workplaces in the Canadian industrial composition. The small bargaining units represent a sample by industrial sector across Canada, while the large and medium bargaining units represent all bargaining units across Canada.

Among the 543 collective bargaining settlements reached in the year 2001, 146 settlements were in small bargaining units, 300 were in medium bargaining units, and 97 were in large bargaining units. During this period, the majority of employees and agreements were in the 2.0 to 2.9 per cent wage adjustment range while the overall base-rate wage adjustment averaged 3.1 per cent, up from 2.5 per cent reported in the year 2000.

Small bargaining units reported an average wage increase of 2.6 per cent, slightly lower than the 2.7 per cent reported in the year 2000. Close to half of the employees (47.4 per cent) and 43.8 per cent of agreements were in the 2.0 to 2.9 per cent range. Another 28.3 per cent of employees and 25.3 per cent of agreements were in the 3.0 to 3.9 per cent range. Public sector settlements provided an increase of 2.7 per cent compared to the private sector figure of 2.6 per cent. On a regional/jurisdictional basis, average increases ranged from a high of 3.7 per cent in the Atlantic Provinces to a low of 2.2 per cent in British Columbia. On an industry basis, the utilities sector, represented by a single agreement, had the largest average increase (3.8 per cent) while the wholesale and retail trade sector reported the smallest increase at 1.7 per cent.

Medium bargaining units reported an average wage increase of 2.9 per cent, higher than the 2.7 per cent reported in the year 2000. This increase is lower than the overall average of 3.1 per cent for all bargaining units. There were 36.2 per cent of employees and 39.0 per cent of agreements in the 2.0 to 2.9 per cent range. More than a quarter of employees and agreements (31.5 and 29.3 per cent respectively) received wage adjustments in the 3.0 to 3.9 per cent range. Public sector settlements resulted in an average increase of 3.1 per cent, which is higher than the private sector increase of 2.7 per cent. On a regional/jurisdictional basis, the highest increase at 4.0 per cent was recorded in multiprovince agreements and the lowest at 1.8 per cent in British Columbia. On an industry basis, the construction sector reported the highest increase at 3.4 per cent compared to the wholesale and retail trade sector at 1.6 per cent.

Large bargaining units reported an average wage increase of 3.3 per cent, much higher than the figure reported for the year 2000 (2.4 per cent), and higher than the figure reported for small and medium sized bargaining units. Less than 10 per cent of both employees and agreements received wage adjustments under 2.0 per cent compared to 20 per cent in small bargaining units. The public sector average increase at 3.3 per cent was slightly higher than the private sector increase at 3.1 per cent. On a regional/jurisdictional basis, the highest increase was reported in the Prairie Provinces with an average increase of 4.7 per cent while Quebec reported the lowest increase at 2.7 per cent. On an industry basis, the entertainment and hospitality sector, with a single agreement covering 4,400 employees, recorded the highest increase at 4.6 per cent, compared to the lowest increase in the manufacturing sector at 1.8 per cent.

Chart G

Average Wage Adjustment by Size of Bargaining Units

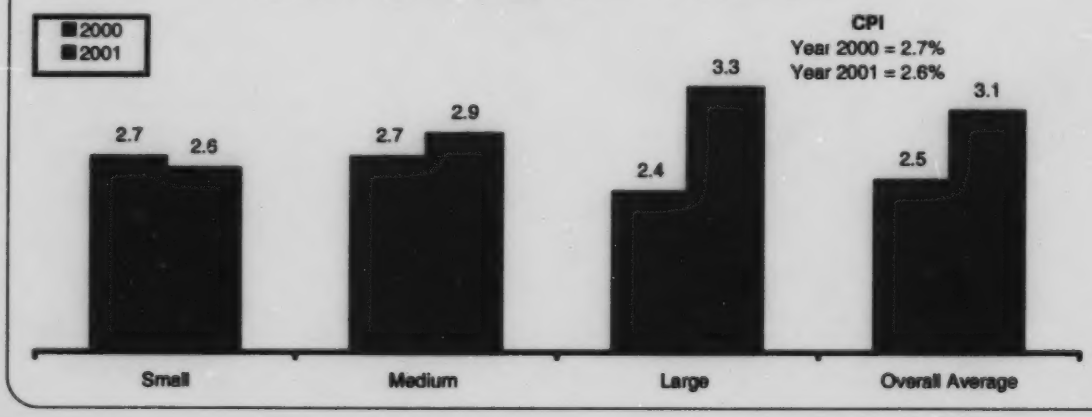


Chart H

Wage Adjustment Distribution
by Size of Bargaining Unit and by Percentage of Employees

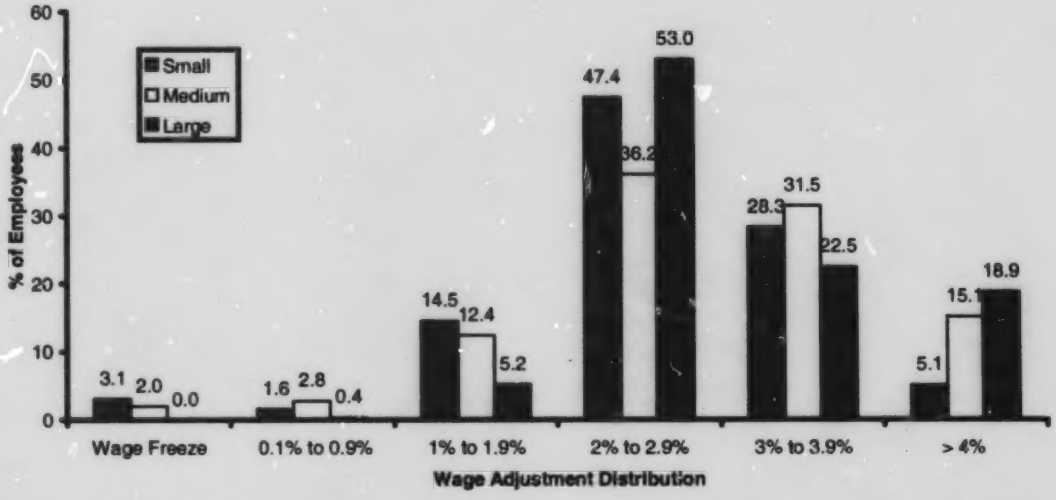


Chart I

Wage Adjustment Distribution
by Size of Bargaining Unit and by Percentage of Agreements

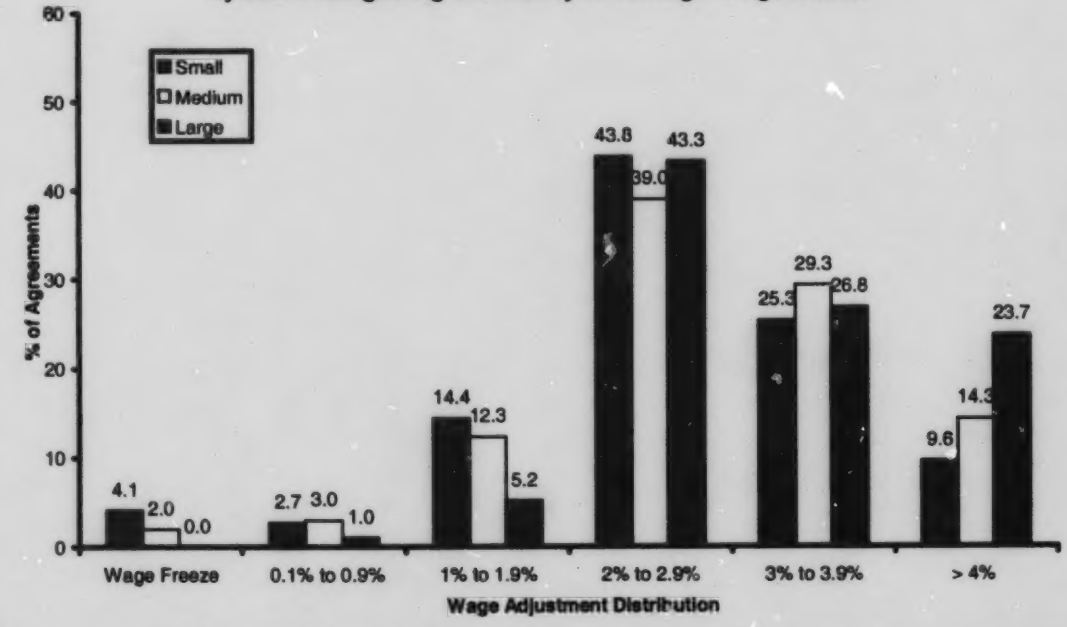


Chart J

Annual Average Percentage Adjustment by Size of Bargaining Units, by Public and Private Sectors

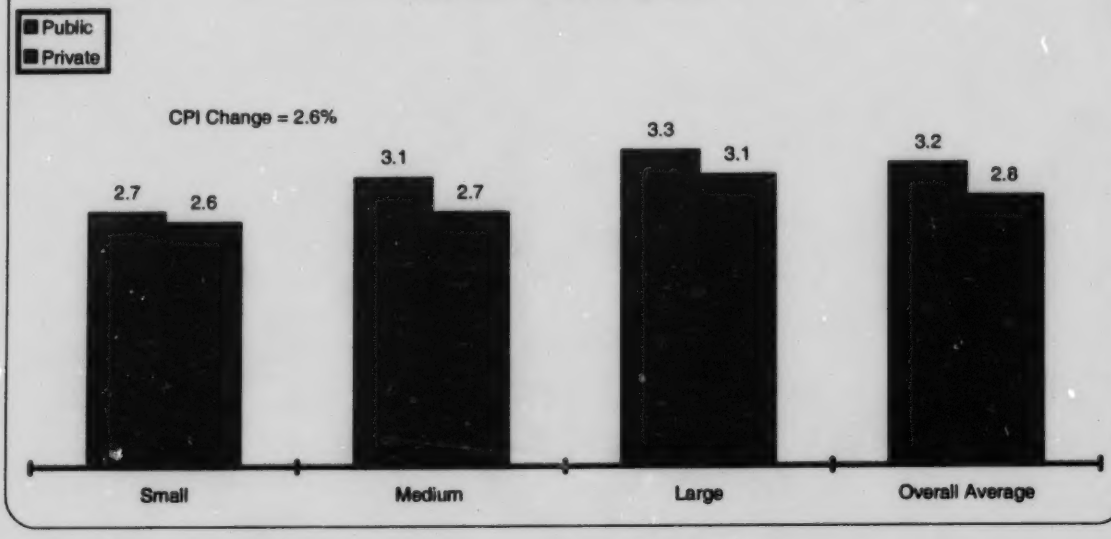


Chart K

Annual Average Percentage Adjustment by Size of Bargaining Units, by Region/Jurisdiction

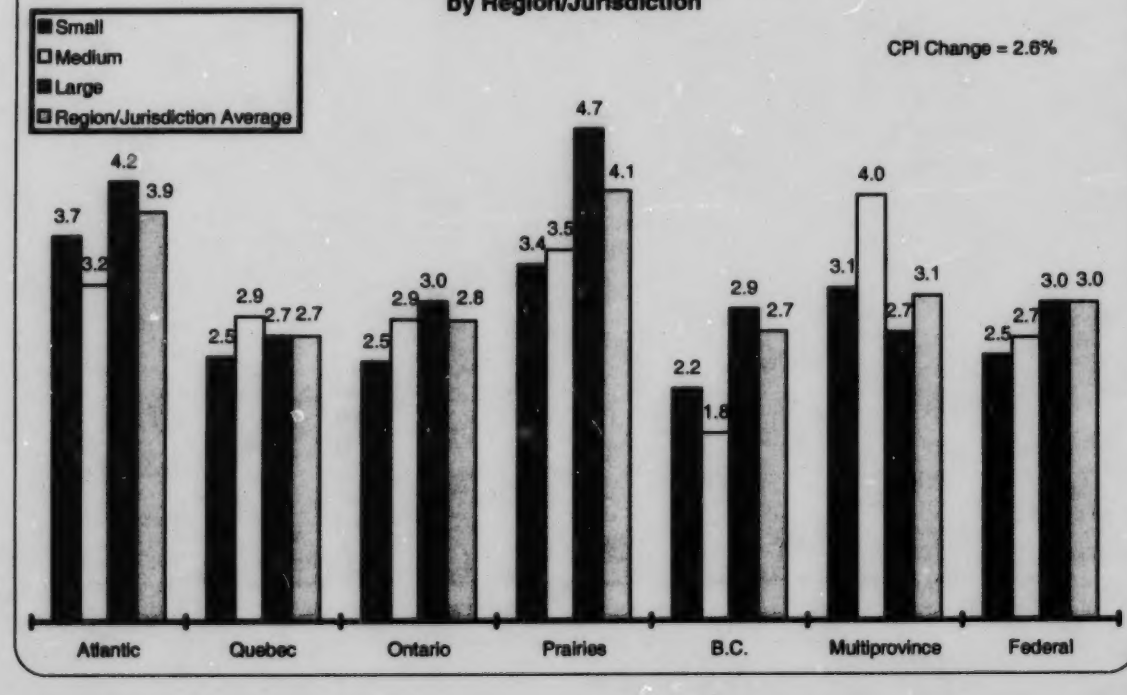
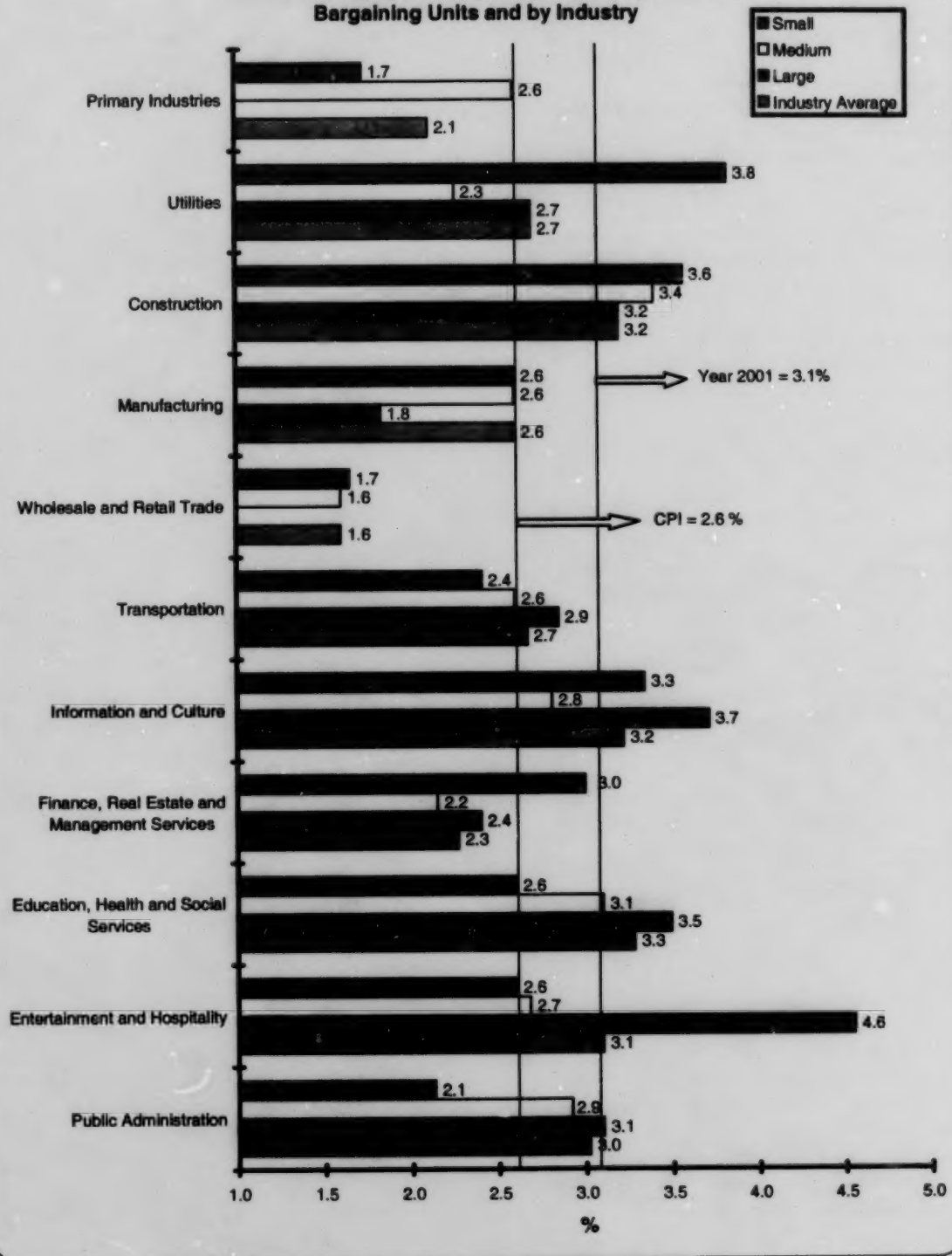


Chart L

Annual Average percentage Adjustment by Size of Bargaining Units and by Industry



MAJOR SETTLEMENTS REACHED IN THE FOURTH QUARTER 2001

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Primary Industries (2 agreements)	**1,230**	**2.3**	**3.8**	**36.0**	
General Presidents' Maintenance Committee for Canada, service and maintenance employees, Mildred Lake, Alta.	570	1.6	5.0	36	2004-12-31
IMC Esterhazy Canada Limited Partnership, mine employees, Esterhazy, Sask.	660	2.8	2.7	36	2004-01-31
Utilities (2 agreements)	**1,650**	**2.0**	**1.2**	**30.9**	
B.C. Gas Utility Ltd., utility workers, province-wide, B.C.	650	2.0	0.0	60	2006/03/31
Hydro One Inc., scientific and other professionals, province-wide, Ont.	1,000	2.0	2.0	12	2002/12/31
Construction (2 agreements)	**2,050**	**2.7**	**3.0**	**38.9**	
Construction Management Bureau Limited, electricians, Mainland, N.S.	850	2.4*	3.1	60	2006/04/30
Mechanical Contractors Association of N.B. Inc., plumbers and pipefitters, province-wide, N.B.	1,200	3.0	3.0	24	2003/06/30
Manufacturing (11 agreements)	**12,280**	**2.3**	**-0.5**	**39.0**	
Abitibi-Consolidated Inc. (Division Port-Alfred), production employees, La Baie, Que.	590	2.0	2.0	48	2005/04/30
Algoma Steel Inc., administrative services employees, Sault Ste. Marie, Ont.	630	1.2*	-8.3	32	2004/07/31
Algoma Steel Inc., production employees, Sault Ste. Marie, Ont.	3,150	1.6*	-8.1	32	2004/07/31
Boeing Toronto Ltd., plant and maintenance employees, Mississauga, Ont.	570	4.6*	4.7	36	2004/10/27
Christie Brown and Co. (Division of Nabisco Ltd.), production employees, Montréal, Que.	510	2.5	2.0	48	2005/04/30
Lear Corporation, plant and maintenance employees, Kitchener, Ont.	750	3.1*	3.3	36	2004/12/31
Magna Seating Systems Inc., Integram Windsor Seating, plant and maintenance employees, Windsor, Ont.	730	3.9	6.6	39	2004/11/04
Noranda Inc., CEZinc, production employees, Valleyfield, Que.	540	3.9*	2.4	36	2004/10/31
Pratt & Whitney Canada Inc., plant and maintenance employees, Longueuil, Que.	2,630	2.1*	2.7	36	2005/02/28
Teck Cominco Metals Ltd., plant and maintenance employees, Trail, B.C.	1,330	1.5	1.0	48	2005/05/31
Textron Automotive Company, plant and maintenance employees, Port Hope, Ont.	850	3.0	3.0	60	2006/12/31
Wholesale and Retail Trade (1 agreement)	**1,040**	**1.3**	**0.0**	**36.0**	
Okanagan Federated Shippers Labour Relations Association, plant and maintenance employees, Kelowna, B.C.	1,040	1.3	0.0	36	2004/08/31
Transportation (4 agreements)	**3,740**	**2.0**	**1.0**	**33.2**	
Air Canada Regional Inc., aircraft maintenance, system-wide	870	1.2	0.0	24	2003/09/30
Air Canada Regional Inc., pilots, system-wide	1,500	1.7	0.0	36	2004/12/31
Council of Marine Carriers, licensed personnel, Coast, B.C.	700	2.5	2.0	36	2003/09/30
Via Rail Canada Inc., shopcraft employees, system-wide	670	3.5	3.6	36	2003/12/31
Information and Culture (3 agreements)	**4,300**	**2.7**	**2.6**	**32.1**	
Canadian Broadcasting Corporation, technical employees, Canada-wide (excl. Que. and N.B.)	1,670	2.3	2.0	24	2003/06/30

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Information and Culture (continued)					
MTS Communications Inc., managers, province-wide, Man.	1,100	3.0	3.0	36	2004/02/18
MTS Communications Inc., MTS, MTS Advanced Inc., telephone operators, province-wide, Man.	1,530	2.8	3.0	38	2004/12/19
Finance, Real Estate and Management Services (1 agreement)	**1,400**	**1.4**	**0.6**	**36.0**	
Rentokil Initial Canada Limited, security guards, province-wide, Ont.	1,400	1.4	0.6	36	2004/06/30
Education, Health and Social Services (25 agreements)	**81,320**	**3.1**	**3.0**	**34.9**	
Carleton University, professors, Ottawa, Ont.	700	2.6	2.7	24	2003/04/30
Conseil des écoles catholiques de langue française du Centre-Est, elementary teachers, Ottawa, Ont.	750	2.5	3.5	36	2004/08/31
Dufferin-Peel Catholic District School Board, plant and maintenance employees, Mississauga, Ont.	600	3.0	3.0	24	2003/09/30
Extendicare (Canada) Inc., health service-non-professionals, Regina, Sask.	580	3.0	3.0	36	2004/03/31
Government of Alberta, health and social care professionals, province-wide, Alta.	500	4.5	5.0	24	2003/08/31
Government of Alberta, health service-non-professionals, province-wide, Alta.	1,100	4.5	5.0	24	2003/08/31
Government of New Brunswick, elementary and secondary teachers, province-wide, N.B.	7,600	3.7	4.3	42	2004/02/29
Government of Newfoundland and Labrador, health and social care professionals, province-wide, Nfld.	700	5.1	5.0	36	2004/06/30
Governors of the University of Calgary, support employees, Calgary, Alta.	2,600	4.0	4.0	12	2002/03/31
Northern Alberta Institute of Technology, administrative services employees, Edmonton, Alta.	530	4.7	5.0	36	2004/07/17
Ontario Hospital Association, non-medical employees, province-wide, Ont.	9,000	2.8	2.5	36	2004/10/10
Ontario Hospital Association, non-medical employees, province-wide, Ont.	19,000	2.8	2.5	36	2004/09/28
Peel District School Board, occasional teachers, Mississauga, Ont.	950	2.7	0.0	26	2002/08/31
Post-Secondary Employers' Association, post-secondary, non-university teachers, province-wide, B.C.	6,500	2.6	2.0	36	2004/03/31
Regional Municipality of Niagara, non-medical employees, Niagara Region, Ont.	720	2.5	0.0	36	2003/12/31
Saskatchewan Association of Health Organizations, non-medical employees, province-wide, Sask.	12,000	3.0	3.0	36	2004/03/31
Saskatchewan Association of Health Organizations, service and maintenance employees, province-wide, Sask.	9,850	3.0	3.0	36	2004/03/31
Southern Alberta Institute of Technology, office and clerical employees, Calgary, Alta.	680	4.5	5.0	24	2003/06/30
Université du Québec à Chicoutimi, instructors/tutors/lecturers, Chicoutimi, Que.	700	7.7	14.3	31	2002/12/31
Université Laval, professors, Québec, Que.	1,160	2.6	1.5	42	2003/05/31
University of Manitoba, instructors/tutors/lecturers, Winnipeg, Man.	700	2.4	0.0	48	2004/08/31
University of Manitoba, professors, Winnipeg, Man.	1,100	3.4	3.0	36	2004/03/31
University of New Brunswick, professors, Fredericton, N.B.	580	3.5	3.5	48	2005/06/30
University of Sherbrooke, instructors/tutors/lecturers, Sherbrooke, Que.	1,720	5.5	5.5	12	2001/12/31
University of Western Ontario, office and clerical employees, London, Ont.	1,000	1.7	1.7	36	2004/06/30

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Public Administration (20 agreements)	**121,700**	**3.1**	**3.4**	**34.3**	
Capital Regional District, office and clerical employees, Victoria, B.C.	900	2.1*	2.0	48	2004/12/31
City of Calgary, firefighters, Calgary, Alta.	980	3.7	3.5	24	2001/12/31
City of Regina, outside employees, Regina, Sask.	1,200	3.0	3.0	36	2003/12/31
Government of Alberta, administrative and program services, province-wide, Alta.	2,410	4.5	5.0	24	2003/08/31
Government of Alberta, administrative and support employees, province-wide, Alta.	6,700	4.5	5.0	24	2003/08/31
Government of Alberta, correctional officers, province-wide, Alta.	1,800	4.5	5.0	24	2003/08/31
Government of Alberta, general tradesmen, province-wide, Alta.	600	4.5	5.0	24	2003/08/31
Government of Alberta, natural resource conservation employees, province-wide, Alta.	1,300	4.5	5.0	24	2003/08/31
Government of Alberta, social workers, province-wide, Alta.	2,550	4.5	5.0	24	2003/08/31
Government of Alberta, technical employees, province-wide, Alta.	1,400	4.5	5.0	24	2003/08/31
Government of Canada, administrative and program services, Canada-wide	66,890	2.8	3.2	36	2003/06/20
Government of Canada, commerce officers, Canada-wide	4,690	2.8	3.2	36	2003/06/21
Government of Canada, firefighters, Canada-wide	11,420	2.8	3.2	36	2003/08/04
Government of Canada, librarians, Canada-wide	1,010	2.8	3.2	36	2003/06/30
Government of Canada, nurses, Canada-wide	1,940	2.8	3.2	36	2003/09/30
Government of Canada, scientific and other professionals, Canada-wide	2,670	2.8	3.2	36	2003/09/30
Government of Canada, ship maintenance, Coast, B.C.	560	2.8	3.2	36	2003/09/30
Government of Canada, ship maintenance, Halifax, N.S.	620	2.8	3.2	36	2003/12/31
Government of Canada, technical employees, Canada-wide	9,760	2.8	3.2	36	2003/06/21
Government of Prince Edward Island, inside and outside employees, province-wide, P.E.I.	2,300	3.3	3.3	36	2004/03/31
Agreements with COLA (8 agreements)	**10,020**	**2.2***	**-1.3**	**37.6**	
Agreements without COLA (63 agreements)	**220,690**	**3.0**	**3.2**	**34.6**	
All Agreements (71 agreements)	**230,710**	**3.0**	**3.0**	**34.8**	

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Source: Workplace Information Directorate

A list of settlements of small bargaining units (less than 500 employees) is available on the Workplace Information Directorate Web site:

http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng

The Collective Bargaining Bulletin, a monthly publication, contains a list of formal and up-to-date summaries of the major settlements shown above.

Copies of these settlement summaries, available in English and French, can now be obtained by visiting NEGOTECH at <http://206.191.16.138/gol/>. These summaries are also available from the Workplace Information Directorate at 1-800-567-6866 or Client Services at (819) 997-3117 or E-Mail: wid-imt@hrdc-drhc.gc.ca or Web Site: http://labour-travail.hrdc-drhc.gc.ca

Negotech

A searchable labour relations database developed and maintained by the Workplace Information Directorate, Human Resources Development Canada, providing timely information on the key aspects of collective bargaining in Canada through:

- settlement reports containing the highlights of important benefit changes including wage adjustments in recently signed collective agreements;
- access to full collective agreement contract language; and
- customized data searches.

For further information, contact the Workplace Information Directorate at:

1-800-567-6866 or (819) 997-3117
Web Site: http://hrdc.gc.ca/labour/nego

Table 1

Major Wage Settlements, by Public and Private Sectors, by Year and Quarter

	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)
Year												
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	276	17.0	635.2	3.9	283	26.1	521.0	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	321	25.3	709.2	3.6	232	26.0	412.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	294	30.0	736.0	5.2	159	28.6	265.8	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	301	21.7	975.9	2.0	195	32.2	330.9	2.6	496	24.3	1,306.8	2.1
1993	347	23.4	1,012.0	0.6	171	25.2	400.5	0.8	518	23.9	1,412.5	0.7
1994	299	26.5	719.8	-0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	215	31.5	629.6	0.6	186	35.9	278.4	1.4	401	32.8	908.0	0.9
1996	212	31.7	564.3	0.5	166	34.7	246.1	1.7	378	32.6	810.4	0.9
1997	220	30.3	370.3	1.1	159	38.1	321.9	1.8	379	33.9	692.2	1.5
1998	221	31.1	646.3	1.6	182	34.4	274.2	1.9	403	32.1	920.5	1.7
1999	219	35.0	510.6	1.9	158	38.4	314.3	2.7	377	36.3	824.9	2.2
2000	301	33.6	917.7	2.5	102	42.6	162.7	2.4	403	35.0	1,080.4	2.5
2001 *	250	31.4	677.6	3.3	147	35.9	276.9	2.9	397	32.7	954.5	3.2
* Year to Date												
Quarter												
1998 I	45	36.4	97.0	2.1	23	33.6	38.3	2.3	68	35.6	135.3	2.1
II	56	32.0	157.5	1.7	71	27.9	111.1	1.7	127	30.3	268.6	1.7
III	52	33.2	186.5	1.2	54	40.9	85.9	1.8	106	35.6	272.4	1.4
IV	68	25.9	205.3	1.7	34	39.9	38.9	2.2	102	28.1	244.2	1.8
1999 I	79	32.5	192.9	1.3	30	38.1	55.7	2.2	109	33.7	248.6	1.5
II	72	37.4	208.5	2.4	54	40.6	64.0	2.5	126	38.1	272.4	2.4
III	33	36.9	50.0	2.3	42	37.3	127.1	2.4	75	37.2	177.1	2.4
IV	35	33.4	59.3	2.1	32	38.3	67.5	3.8	67	36.0	126.7	3.0
2000 I	122	39.9	497.4	2.3	30	30.5	39.2	3.0	152	39.2	536.6	2.4
II	57	21.3	208.6	2.5	29	41.1	34.3	2.5	86	24.1	242.9	2.5
III	44	33.5	79.6	2.6	20	52.2	58.8	1.9	64	41.4	138.4	2.3
IV	78	29.3	132.0	3.0	23	41.0	30.5	2.2	101	31.5	162.5	2.9
2001 I	59	29.7	144.3	3.8	20	35.9	34.1	2.4	79	30.8	178.4	3.5
II	88	29.9	200.4	2.8	67	35.8	109.7	3.0	155	32.0	310.1	2.9
III	56	31.0	127.2	3.6	36	35.5	108.2	3.2	92	33.1	235.3	3.4
IV	47	34.4	205.8	3.1	24	38.0	24.9	2.2	71	34.8	230.7	3.0

Agmts. - Number of Agreements
Dur. - Average Agreement Duration
Empls. - Number of Employees
Avg. Adj. - Average Annual Adjustment

Table 2

Effective Wage Adjustment in Base Rates, by Region/Jurisdiction, by Year and Quarter

	1999	2000	2001	2001			
				1	2	3	4
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	2.2	2.5	3.2	3.5	2.9	3.4	3.0
Atlantic	2.0	2.6	3.9	3.7	3.8	4.2	3.6
Newfoundland and Labrador	1.6	3.6	5.0	-	5.0	5.0	5.1
Prince Edward Island	2.7	2.2	3.1	2.5	-	3.1	3.3
Nova Scotia	2.1	2.2	3.6	2.0	2.4	4.5	2.4
New Brunswick	2.4	2.8	3.5	4.0	2.0	3.3	3.6
Quebec	1.6	2.4	2.8	4.4	2.3	2.7	3.6
Ontario	2.2	2.5	2.9	3.1	3.0	3.0	2.7
Prairies	3.0	3.8	4.2	5.2	4.0	4.1	3.6
Manitoba	2.5	2.6	2.3	1.8	2.4	2.5	3.0
Saskatchewan	2.0	3.5	2.9	3.0	3.0	2.8	3.0
Alberta	4.0	4.5	5.1	5.8	4.6	5.1	4.3
British Columbia	0.8	1.6	2.8	2.7	2.1	4.1	2.3
Territories	1.9	2.9	3.1	3.2	3.0	-	-
Multiprovince	2.8	2.4	3.0	-	3.0	3.1	-
Total Federal	2.8	2.2	3.0	3.3	3.2	3.8	2.8
Public Sector							
CANADA	1.9	2.5	3.3	3.8	2.8	3.6	3.1
Atlantic	1.8	2.9	4.0	3.9	3.8	4.2	3.7
Newfoundland and Labrador	1.3	5.3	5.0	-	5.0	5.0	5.1
Prince Edward Island	2.9	2.2	3.1	2.5	-	3.1	3.3
Nova Scotia	2.3	2.2	3.8	-	2.0	4.5	-
New Brunswick	3.1	3.5	3.5	4.0	2.0	3.3	3.7
Quebec	1.7	2.3	2.7	4.7	2.1	2.0	5.0
Ontario	1.5	2.6	3.1	3.4	3.1	2.9	2.8
Prairies	2.9	3.8	4.1	5.4	3.2	3.0	3.7
Manitoba	2.5	2.5	2.4	2.2	2.1	2.2	3.0
Saskatchewan	2.2	3.6	2.9	3.0	3.0	2.8	3.0
Alberta	3.8	4.5	4.9	5.9	3.5	3.6	4.4
British Columbia	0.7	1.3	2.8	2.7	2.1	4.2	2.5
Territories	1.9	2.9	3.1	3.2	3.0	-	-
Multiprovince	-	-	-	-	-	-	-
Total Federal	2.8	2.2	3.1	3.9	3.3	4.3	2.8
Private Sector							
CANADA	2.7	2.4	2.9	2.4	3.0	3.2	2.2
Atlantic	2.2	1.8	2.8	2.0	3.1	-	2.7
Newfoundland and Labrador	2.4	2.4	-	-	-	-	-
Prince Edward Island	2.3	-	-	-	-	-	-
Nova Scotia	1.9	1.7	2.8	2.0	3.1	-	2.4
New Brunswick	2.3	1.4	3.0	-	-	-	3.0
Quebec	1.6	3.0	2.8	2.6	2.5	2.9	2.4
Ontario	3.6	2.3	2.7	2.3	2.8	3.0	2.2
Prairies	3.8	3.9	4.8	1.9	4.5	6.0	2.5
Manitoba	3.1	3.3	2.2	0.6	2.6	2.7	-
Saskatchewan	0.8	2.0	2.9	-	-	-	2.9
Alberta	5.0	5.0	5.5	2.7	5.3	6.3	1.6
British Columbia	1.3	2.0	1.7	-	1.4	2.3	1.5
Territories	-	-	-	-	-	-	-
Multiprovince	2.8	2.4	3.0	-	3.0	3.1	-
Total Federal	2.8	2.2	2.6	2.7	2.8	2.9	2.3

Table 3

Number of Agreements and Employees Covered, by Region/Jurisdiction, by Year and Quarter

	1999		2000		2001	
	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)
All Sectors						
CANADA	377	824.9	403	1,080.4	397	954.5
Atlantic	22	20.0	19	28.5	30	60.0
Newfoundland and Labrador	8	9.7	4	5.0	7	16.1
Prince Edward Island	3	2.2	2	1.3	5	6.5
Nova Scotia	6	3.9	4	11.7	12	16.7
New Brunswick	5	4.3	9	10.4	6	20.6
Quebec	38	113.1	95	345.4	37	107.3
Ontario	176	320.1	149	286.4	167	288.6
Prairies	68	141.4	61	109.4	75	147.2
Manitoba	18	38.7	20	29.7	16	12.8
Saskatchewan	14	41.1	4	14.3	14	41.9
Alberta	36	61.6	37	65.4	45	92.5
British Columbia	25	71.9	38	67.7	33	165.6
Territories	2	4.6	3	5.6	2	2.0
Multiprovince	3	2.2	3	2.8	7	13.0
Total Federal	43	151.6	35	234.7	46	170.9
Public Sector						
CANADA	219	510.6	301	917.7	250	677.6
Atlantic	10	10.7	10	20.6	25	55.3
Newfoundland and Labrador	4	6.6	3	2.0	7	16.1
Prince Edward Island	2	1.5	2	1.3	5	6.5
Nova Scotia	3	2.1	2	10.6	8	13.3
New Brunswick	1	0.6	3	6.7	5	19.4
Quebec	12	25.8	76	322.0	18	25.8
Ontario	117	216.0	104	212.1	102	176.2
Prairies	48	119.3	57	106.2	54	117.6
Manitoba	13	34.2	19	28.6	9	7.2
Saskatchewan	10	36.7	3	13.8	12	40.6
Alberta	25	48.5	35	63.9	33	69.8
British Columbia	13	57.6	29	41.6	24	157.6
Territories	2	4.6	3	5.6	2	2.0
Multiprovince	-	-	-	-	-	-
Total Federal	17	76.5	22	209.5	25	143.2
Private Sector						
CANADA	158	314.3	102	162.7	147	276.9
Atlantic	12	9.3	9	7.8	5	4.7
Newfoundland and Labrador	4	3.1	1	3.0	-	-
Prince Edward Island	1	0.7	-	-	-	-
Nova Scotia	3	1.8	2	1.1	4	3.5
New Brunswick	4	3.7	6	3.7	1	1.2
Quebec	26	87.3	19	23.3	19	81.5
Ontario	59	104.1	45	74.3	65	112.4
Prairies	20	22.1	4	3.2	21	29.7
Manitoba	5	4.6	1	1.1	7	5.7
Saskatchewan	4	4.4	1	0.6	2	1.2
Alberta	11	13.1	2	1.5	12	22.8
British Columbia	12	14.3	9	26.0	9	7.9
Territories	-	-	-	-	-	-
Multiprovince	3	2.2	3	2.8	7	13.0
Total Federal	26	75.1	13	25.2	21	27.8

Table 3 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction, by Year and Quarter

	2001							
	1		2		3		4	
	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)	Number of Agreements	Number of Employees (000's)
All Sectors								
CANADA	79	178.4	155	310.1	92	235.3	71	230.7
Atlantic	3	6.8	11	19.5	10	20.5	6	13.2
Newfoundland and Labrador	-	-	4	10.5	2	4.9	1	0.7
Prince Edward Island	1	0.5	-	-	3	3.7	1	2.3
Nova Scotia	1	0.5	6	6.0	4	9.4	1	0.9
New Brunswick	1	5.8	1	3.0	1	2.5	3	9.4
Quebec	3	3.3	15	18.3	12	77.9	7	7.9
Ontario	35	64.9	81	140.5	35	41.4	16	41.8
Prairies	18	40.2	19	21.0	17	36.2	21	49.8
Manitoba	4	3.7	6	5.0	4	2.3	2	1.8
Saskatchewan	3	2.9	1	0.7	5	13.9	5	24.3
Alberta	11	33.6	12	15.3	8	20.0	14	23.7
British Columbia	8	40.2	11	68.7	9	46.3	5	10.4
Territories	1	0.7	1	1.3	-	-	-	-
Multiprovince	-	-	5	7.9	2	5.1	-	-
Total Federal	11	22.4	12	32.9	7	8.0	16	107.6
Public Sector								
CANADA	59	144.3	88	200.4	58	127.2	47	205.8
Atlantic	2	6.3	9	17.4	10	20.5	4	11.2
Newfoundland and Labrador	-	-	4	10.5	2	4.9	1	0.7
Prince Edward Island	1	0.5	-	-	3	3.7	1	2.3
Nova Scotia	-	-	4	3.9	4	9.4	-	-
New Brunswick	1	5.8	1	3.0	1	2.5	2	8.2
Quebec	2	2.8	7	8.3	6	11.1	3	3.6
Ontario	26	45.1	47	74.1	20	23.3	9	33.7
Prairies	16	37.5	9	8.2	11	23.8	18	48.0
Manitoba	3	2.7	2	1.5	2	1.2	2	1.8
Saskatchewan	3	2.9	1	0.7	5	13.9	3	23.1
Alberta	10	31.9	6	6.0	4	8.7	13	23.2
British Columbia	8	40.2	8	65.9	6	44.1	2	7.4
Territories	1	0.7	1	1.3	-	-	-	-
Multiprovince	-	-	-	-	-	-	-	-
Total Federal	4	11.8	7	25.1	3	4.4	11	101.9
Private Sector								
CANADA	20	34.1	67	109.7	36	108.2	24	24.9
Atlantic	1	0.5	2	2.1	-	-	2	2.1
Newfoundland and Labrador	-	-	-	-	-	-	-	-
Prince Edward Island	-	-	-	-	-	-	-	-
Nova Scotia	1	0.5	2	2.1	-	-	1	0.9
New Brunswick	-	-	-	-	-	-	1	1.2
Quebec	1	0.5	8	9.9	6	66.8	4	4.3
Ontario	9	19.8	34	66.4	15	18.2	7	8.1
Prairies	2	2.7	10	12.8	6	12.4	3	1.8
Manitoba	1	1.0	4	3.6	2	1.1	-	-
Saskatchewan	-	-	-	-	-	-	2	1.2
Alberta	1	1.7	6	9.3	4	11.3	1	0.6
British Columbia	-	-	3	2.8	3	2.1	3	3.0
Territories	-	-	-	-	-	-	-	-
Multiprovince	-	-	5	7.9	2	5.1	-	-
Total Federal	7	10.6	5	7.8	4	3.6	5	5.7

Table 4

Effective Wage Adjustment in Base Rates, by Major Industry Division, with and without COLA, by Year and Quarter

	Non-COLA Agreements				COLA Agreements				All Agreements			
	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)
Primary Industries												
1999	4	47.8	2.9	1.8	4	45.2	3.8	2.6	8	46.3	6.7	2.2
2000	1	40.0	0.5	2.0	3	38.0	4.9	1.6	4	38.4	5.4	1.7
2001	4	40.9	3.3	3.1	2	45.5	3.1	2.0	6	43.1	6.4	2.6
2001 I	-	-	-	-	1	42.0	1.3	2.2	1	42.0	1.3	2.2
II	1	36.0	1.4	4.2	1	48.0	1.8	1.8	2	42.7	3.2	2.9
III	1	60.0	0.7	2.4	-	-	-	-	1	60.0	0.7	2.4
IV	2	36.0	1.2	2.3	-	-	-	-	2	36.0	1.2	2.3
Utilities												
1999	14	50.8	30.1	1.8	2	24.0	1.6	2.4	16	49.5	31.7	1.8
2000	14	25.6	25.1	3.2	-	-	-	-	14	25.6	25.1	3.2
2001	9	26.6	11.6	2.5	2	24.0	1.4	2.3	11	26.4	13.0	2.4
2001 I	2	18.6	4.9	3.0	2	24.0	1.4	2.3	4	19.8	6.3	2.8
II	3	34.2	3.7	2.0	-	-	-	-	3	34.2	3.7	2.0
III	2	29.9	1.3	2.4	-	-	-	-	2	29.9	1.3	2.4
IV	2	30.9	1.7	2.0	-	-	-	-	2	30.9	1.7	2.0
Construction												
1999	21	36.1	97.8	2.0	-	-	-	-	21	36.1	97.8	2.0
2000	7	25.2	8.9	3.6	1	48.0	0.5	2.7	8	28.4	9.4	3.6
2001	54	34.6	161.2	3.2	1	60.0	0.9	2.4	55	34.7	162.0	3.2
2001 I	1	36.0	13.0	2.5	-	-	-	-	1	36.0	13.0	2.5
II	32	34.7	71.8	3.2	-	-	-	-	32	34.7	71.6	3.2
III	20	34.4	95.4	3.3	-	-	-	-	20	34.4	95.4	3.3
IV	1	24.0	1.2	3.0	1	60.0	0.9	2.4	2	36.9	2.1	2.7
Manufacturing												
1999	43	52.6	30.8	1.8	31	35.5	72.8	4.3	74	40.5	103.6	3.6
2000	35	35.0	46.9	2.1	17	35.8	21.7	3.4	52	35.2	68.5	2.5
2001	20	44.3	17.3	2.2	25	36.0	23.9	2.7	45	39.5	41.2	2.5
2001 I	5	39.4	5.0	1.7	3	30.1	2.0	2.3	8	36.7	7.0	1.9
II	7	43.4	6.3	2.4	13	36.6	10.6	2.9	20	39.1	16.9	2.7
III	3	50.2	2.0	2.0	3	43.2	3.0	3.8	6	46.0	5.0	3.1
IV	5	48.9	4.0	2.4	6	34.2	8.3	2.2	11	39.0	12.3	2.3
Wholesale and Retail Trade												
1999	9	31.0	10.7	1.8	1	36.0	5.2	0.6	10	32.7	15.9	1.3
2000	12	53.8	33.0	1.9	2	71.4	10.6	1.0	14	58.1	43.6	1.7
2001	5	35.9	4.2	1.6	-	-	-	-	5	35.9	4.2	1.6
2001 I	1	36.0	0.7	0.9	-	-	-	-	1	36.0	0.7	0.9
II	2	30.9	1.8	2.0	-	-	-	-	2	30.9	1.8	2.0
III	1	48.0	0.7	1.4	-	-	-	-	1	48.0	0.7	1.4
IV	1	36.0	1.0	1.3	-	-	-	-	1	36.0	1.0	1.3
Transportation												
1999	19	37.9	47.2	2.9	4	43.0	12.8	2.3	23	39.0	60.0	2.8
2000	14	39.0	41.1	2.7	5	34.3	53.6	2.1	19	36.3	94.7	2.4
2001	23	34.0	31.4	2.8	3	46.8	4.9	2.6	26	35.8	36.3	2.7
2001 I	7	36.3	10.5	2.7	1	36.0	1.1	2.1	8	36.2	11.7	2.7
II	6	29.3	9.9	2.9	2	50.1	3.8	2.7	8	35.0	13.6	2.9
III	6	37.6	7.3	3.0	-	-	-	-	6	37.6	7.3	3.0
IV	4	33.2	3.7	2.0	-	-	-	-	4	33.2	3.7	2.0

Agmts. - Number of Agreements
Dur. - Average Agreement Duration
Empls. - Number of Employees
Avg. Adj. - Average Annual Adjustment

Table 4 (continued)

Effective Wage Adjustment in Base Rates, by Major Industry Division, with and without COLA, by Year and Quarter

	Non-COLA Agreements				COLA Agreements				All Agreements			
	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)	Agmts.	Dur. (Months)	Empls. (000's)	Avg. Adj. (%)
Information and Culture												
1999	14	32.5	34.8	2.5	4	56.7	11.2	2.4	18	38.4	46.0	2.5
2000	8	39.4	10.3	2.9	-	-	-	-	8	39.4	10.3	2.9
2001	6	34.5	8.9	3.2	1	60.0	1.1	2.8	7	37.3	10.1	3.2
2001 I	1	36.0	3.5	3.7	-	-	-	-	1	36.0	3.5	3.7
II	2	39.1	1.2	3.1	-	-	-	-	2	39.1	1.2	3.1
III	-	-	-	-	1	60.0	1.1	2.8	1	60.0	1.1	2.8
IV	3	32.1	4.3	2.9	-	-	-	-	3	32.1	4.3	2.9
Finance, Real Estate and Management Services												
1999	4	34.5	2.9	2.8	-	-	-	-	4	34.5	2.9	2.8
2000	7	35.4	12.0	1.7	1	36.0	1.1	2.8	8	35.4	13.1	1.8
2001	12	37.1	14.6	2.2	-	-	-	-	12	37.1	14.6	2.2
2001 I	2	24.0	1.3	2.9	-	-	-	-	2	24.0	1.3	2.9
II	6	40.1	9.2	2.0	-	-	-	-	6	40.1	9.2	2.0
III	3	33.8	2.8	3.1	-	-	-	-	3	33.8	2.8	3.1
IV	1	36.0	1.4	1.4	-	-	-	-	1	36.0	1.4	1.4
Education, Health and Social Services												
1999	140	36.4	301.9	1.8	-	-	-	-	140	36.4	301.9	1.8
2000	200	36.2	503.1	2.6	1	36.0	0.9	4.7	201	36.2	504.0	2.6
2001	162	28.0	300.2	3.5	5	36.8	101.3	3.0	167	30.2	401.5	3.4
2001 I	44	26.6	85.4	4.3	1	60.0	3.5	2.1	45	28.0	88.9	4.2
II	60	23.0	87.8	3.2	2	36.0	61.0	2.1	62	28.3	148.8	2.8
III	31	28.1	44.8	3.3	2	36.0	36.8	4.5	33	31.7	81.4	3.9
IV	27	34.6	82.4	3.1	-	-	-	-	27	34.6	82.4	3.1
Entertainment and Hospitality												
1999	14	33.6	13.3	2.6	-	-	-	-	14	33.6	13.3	2.6
2000	6	46.2	7.7	3.0	-	-	-	-	6	46.2	7.7	3.0
2001	4	36.0	6.4	4.0	-	-	-	-	4	36.0	6.4	4.0
2001 I	1	36.0	0.6	3.0	-	-	-	-	1	36.0	0.6	3.0
II	2	36.0	5.0	4.3	-	-	-	-	2	36.0	5.0	4.3
III	1	36.0	0.8	2.7	-	-	-	-	1	36.0	0.8	2.7
IV	-	-	-	-	-	-	-	-	-	-	-	-
Public Administration												
1999	47	28.6	143.2	2.2	2	36.0	1.8	2.1	49	28.6	145.0	2.2
2000	69	25.9	293.2	2.3	1	36.0	5.3	2.4	70	26.1	298.5	2.3
2001	56	32.5	204.0	3.1	6	36.0	36.5	2.9	62	33.1	240.6	3.1
2001 I	5	27.9	11.3	3.6	2	35.7	32.9	3.0	7	33.7	44.2	3.1
II	14	32.8	33.2	3.0	2	36.0	2.1	2.4	16	33.0	35.3	3.0
III	18	28.4	38.7	3.0	1	36.0	0.7	2.3	19	28.5	39.4	3.0
IV	19	34.2	120.8	3.1	1	48.0	0.9	2.1	20	34.3	121.7	3.1

Agmts. - Number of Agreements
Dur. - Average Agreement Duration
Empls. - Number of Employees
Avg. Adj. - Average Annual Adjustment

Table 5

Effective Adjustment in Base Rates, Number of Agreements and Employees Covered, by Year and Quarter

	1999	2000	2001	2001			
				1	2	3	4
All Industries							
Wage Adjustment (%)	2.2	2.5	3.2	3.5	2.9	3.4	3.0
Number of Agreements	377	403	397	79	155	92	71
Number of Employees (000's)	824.9	1,080.4	954.5	178.4	310.1	235.3	230.7
Private Sector							
Wage Adjustment (%)	2.7	2.4	2.9	2.4	3.0	3.2	2.2
Number of Agreements	158	102	147	20	67	36	24
Number of Employees (000's)	314.3	162.7	276.9	34.1	109.7	108.2	24.9
Public Sector							
Wage Adjustment (%)	1.9	2.5	3.3	3.8	2.8	3.6	3.1
Number of Agreements	219	301	250	59	88	56	47
Number of Employees (000's)	510.6	917.7	677.6	144.3	200.4	127.2	205.8
Federal Administration							
Wage Adjustment (%)	2.9	2.1	3.0	4.0	3.4	4.4	2.8
Number of Agreements	10	18	17	2	5	1	9
Number of Employees (000's)	53.2	154.8	131.4	7.6	21.3	2.9	99.6
Federal Crown Corporations							
Wage Adjustment (%)	2.4	2.2	3.2	-	3.2	4.0	2.6
Number of Agreements	6	3	7	-	3	2	2
Number of Employees (000's)	19.8	46.6	9.2	-	5.4	1.4	2.3
Provincial Administration							
Wage Adjustment (%)	1.6	2.6	3.3	2.9	3.0	3.4	4.4
Number of Agreements	21	37	26	4	9	5	8
Number of Employees (000's)	73.9	114.4	88.1	36.8	15.0	17.2	19.1
Local Administration							
Wage Adjustment (%)	2.3	2.5	2.6	2.7	2.5	2.5	3.0
Number of Agreements	34	33	28	4	6	15	3
Number of Employees (000's)	44.2	69.2	38.3	5.0	6.2	24.1	3.1
Education, Health and Welfare							
Wage Adjustment (%)	1.8	2.6	3.4	4.3	2.8	3.9	3.1
Number of Agreements	138	198	162	43	63	32	24
Number of Employees (000's)	296.2	501.6	395.4	84.5	149.3	80.8	80.7
Public Utilities							
Wage Adjustment (%)	2.1	3.4	2.9	3.2	2.4	3.0	2.0
Number of Agreements	10	12	10	6	2	1	1
Number of Employees (000's)	23.3	31.0	15.3	10.5	3.1	0.6	1.0

Table 6

Selected Economic Indicators, by Year and Quarter

	1999	2000	2001	2001			
				1	2	3	4
Wage Settlements (%)	2.2	2.5	3.2	3.5	2.9	3.4	3.0
Public Sector (%)	1.9	2.5	3.3	3.8	2.8	3.6	3.1
Private Sector (%)	2.7	2.4	2.9	2.4	3.0	3.2	2.2
Agreements in Force	1.9	2.3	2.7	2.6	2.7	2.8	2.8
Public Sector (%)	1.7	2.2	2.8	2.6	2.9	2.9	2.9
Private Sector (%)	2.2	2.4	2.6	2.6	2.4	2.6	2.6
Consumer Price Index							
Per Cent Change[1]	1.7	2.7	2.6	2.8	3.6	2.7	1.1
GDP[2] at Factor Cost[3]							
Per Cent Change[1]	4.8	4.5	1.0	1.9	1.9	-0.1	0.3
Labour Productivity Growth (%)	2.2	1.8	0.4	0.8	0.6	-0.2	0.4
Unit Labour Cost (%)	0.8	2.3	2.7	3.2	1.0	2.8	2.3
Unemployment Rate[3]	7.6	6.8	7.2	7.0	7.0	7.2	7.7
Employment (000's)[3]	14,531	14,910	15,077	15,062	15,083	15,074	15,094
Per Cent Change[1]	2.8	2.6	1.1	1.6	1.4	1.0	0.4
Average Weekly Earnings[3]	$ 638.67	$ 653.50	$ 664.81	$ 660.78	$ 660.79	$ 667.40	$ 670.26
Per Cent Change[1]	1.0	2.3	1.7	2.0	1.4	1.7	1.7
Average Hourly Earnings	$ 16.07	$ 16.52	$ 16.74	$ 16.51	$ 16.68	$ 16.98	$ 17.05
Per Cent Change[1]	1.6	2.8	1.3	-0.1	0.7	3.5	3.3

[1] Per cent change from the same period of the previous year

[2] GDP - Gross domestic product at factor cost (1992) prices

[3] Seasonally adjusted data

Source: Workplace Information Directorate and Statistics Canada

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated **cost-of-living allowance (COLA)** payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration. In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an **inflation projection of 2.0 per cent** has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion.*

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public

funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the federal government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and territorial governments

(a) provincial and territorial government administration;

(b) health, education and social services agencies or institutions:
- (i) public hospitals,
- (ii) provincial residential care facilities,
- (iii) universities,
- (iv) colleges, vocational and trade institutions,
- (v) social services business enterprise,
- (vi) provincial elementary and secondary schools.

(3) Local Government Administration

(a) local government organizations such as: municipalities, boards, commissions;

(b) school boards;

(c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

(a) a government holds more than 50 per cent of its voting equity, directly;

(b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

(a) the government holds a significant voting ownership in a public enterprise, where "significant" is understood as:
- (i) the holding is the largest block of voting equity; and
- (ii) the holding exceeds 33.3 per cent of the voting equity; and
- (iii) the block is larger than the combined percentage of the next two largest blocks;

(b) the commercial enterprise declares that it is effectively controlled by a government;

(c) there exists a method or variety of methods (e.g., significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

SELECTED PROVISIONS IN CURRENT COLLECTIVE AGREEMENTS

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Introduction

The following article provides an overview of selected provisions found in current collective agreements available from the Workplace Information Directorate. These examples are derived from collective agreements which comprise the new stratified sample and are presented according to size of bargaining unit: small bargaining units (100 to 499 employees), medium-sized bargaining units (500 to 1,999 employees) and large bargaining units (2,000 employees or more). Featured are examples of provisions now contained in the recently revised collective agreement analysis, and more specifically, those provisions dealing with expedited arbitration, pre-arbitral mediation, continuous bargaining, interest-based bargaining, enabling and parity clauses, joint committees, and employee participation outside of committees.

Grievance Procedure

1. Expedited Arbitration

This provision was found in all industries excluding the construction industry, although it was more widely seen in the education, health and social services sector, and particularly within the large bargaining units in this sector. The manufacturing sector provided the second highest incidence, however most examples were covered in the small bargaining units.

> In the agreement between Crown Packaging Ltd. and the Communications, Energy and Paperworkers' Union of Canada, Local 433, an example states that the company and the union agree that it is desirable to resolve disputes as quickly, fairly, and economically as possible. Recognizing this, the parties have developed an **expedited arbitration procedure** which may be used as an alternative to the regular arbitration procedure. Both parties must be in agreement before the expedited arbitration procedure is used. A majority of grievances can go to expedited arbitration except for cases of discharges and policy grievances. Grievances going to expedited arbitration are scheduled to be heard within 30-calendar days unless otherwise agreed between the parties.

2. Pre-arbitral Mediation

Although a few examples of this provision were found in a number of industry sectors, it is once again the education, health and social services sector that provided the highest incidence. As well, a larger number of examples was found in large bargaining units.

> In the agreement between J.S. McMillan Fisheries Ltd. and the United Food and Commercial Workers International Union, Local 2000, there is an example of **pre-arbitral mediation**, which provides that prior to rendering a decision, the arbitrator may assist the parties in mediating a resolution to the grievance.

Bargaining Method or Approach

1. Continuous Bargaining

The continuous bargaining approach, albeit somewhat limited in the number of examples, was distributed throughout various industry sectors with a higher concentration in the education, health and social services sector.

> In the collective agreement between the Government of Saskatchewan and the Saskatchewan Government and General Employees' Union, is contained a provision on **continuous bargaining**. The parties are committed to establishing a positive working relationship by solving problems throughout the term of the collective agreement by including a reassurance provision on continuous bargaining and addressing and revisiting issues.

2. Interest-Based Bargaining

Interest-based bargaining appeared minimally in the education, health and social services, manufacturing, and public administration sectors.

> The collective agreement between the Saskatchewan Association of Health Organizations and the Service Employees International Union includes a provision on **interest-based bargaining** whereby it is the desire of both parties to maintain and improve harmonious relations. The Employer and the Union recognize the mutual value of a joint process in the negotiation of all matters pertaining to working conditions, employment, hours of work and rates of pay and to provide for collaboration between the parties in order to secure optimum health care services to the general public.

Application of the Agreement

1. Enabling Clause

Enabling clauses were most prevalent in the construction industry and evenly distributed amongst the small, medium and large bargaining units. Moreover, the utilities, wholesale and retail trade, entertainment and hospitality and public administration sectors provided a few examples.

> An **enabling clause** is provided in the collective agreement between the Boilermaker Contractors' Association and the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers. Where articles of this collective agreement are found to work a hardship for a particular project or specific geographical area, the terms and conditions of this agreement for that project or specific geographical area, may be modified by the mutual consent of the Association and the Union when they deem it prudent. It is understood and agreed that where mutual agreement for such change cannot be achieved, the request shall not be subject to either grievance or arbitration.

2. Parity Clause

A few examples of this provision were found in medium-sized bargaining units within the education, health and social services sector.

> In the collective agreement between the Central Regional Health Board and National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), Local 4606, a **parity clause** exists where, if union member occupations are determined to be equivalent to positions at the Queen Elizabeth II Health Science Centre and a pay disparity is evident, the annual rate of pay shall be matched incrementally over the term of the collective agreement. A five-step process is established jointly between the Union and the Employer to verify these positions.

Joint Committees

Joint committees pertaining to labour relations were commonly found in all industries but appeared most frequently in the manufacturing industry as well as in the education, health and social services sector. The manufacturing industry had a higher incidence of this provision in the small bargaining units whereas the education, health and social services sector had a higher incidence in the large bargaining units.

> In the collective agreement between the Saskatchewan Association of Health Organizations and the Service Employees International Union, it states that, at either parties' request, a joint committee shall be established to deal with such matters of mutual concern as may arise from time to time in the operation of the Employer. It is recognized that the purpose of the committee is to promote **joint problem solving**. The committee shall be composed of representatives of the Employer and the Union and the committee may utilize the **assistance of mediation/ conciliation services**.

Employee Participation Outside of Committees

1. Representation on the Board of Directors

A single example of this provision was found in a medium-sized bargaining unit within the manufacturing sector.

> The collective agreement between Skeena Cellulose Inc. and the Pulp, Paper and Woodworkers of Canada, Local 4, stipulates that in consideration for accepting a 10 per cent reduction in wages and premiums, the employees receive a 20 per cent ownership interest in Skeena and one **representative on its Board of Directors**.

2. Problem-Solving Groups

Examples of this provision were infrequent in most industries reviewed and non-existent in the primary, construction, trade, and entertainment and hospitality industries.

> In the collective agreement between The Board of School Trustees of School District No. 57, Prince George, and the Canadian Union of Public Employees, Local 3742, a **problem-solving group** provision occurs, in which, the parties agree that many problems or concerns can be averted or resolved successfully through open communications and a willingness to find solutions. In support of that concept, it is recommended that supervisors include members in discussions about the ongoing work of the department, especially as it relates to the member's assignment by scheduling a time each month when they are available for members to discuss the nature of the employee's work, including any problems or concerns that may be developing. Supervisors assist members and the co-workers in finding mutually acceptable solutions to workplace issues and members are encouraged to bring another member with them to act in a supporting role when issues of particular concern are being discussed. Members and supervisors together review guides to problem solving to increase skills and understanding.

Conclusion

This analysis focused on selected additions to the revised coding procedure to reflect innovations being added to collective agreements.

WORKPLACE INFORMATION DIRECTORATE

Labour Program
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WORK STOPPAGES—2001 AND CHRONOLOGICAL PERSPECTIVE

Workplace Information Directorate
Labour Program, Human Resources Development Canada

Major Work Stoppages (500 or More Workers)

Summary

There were six work stoppages involving 500 and more workers during the fourth quarter of 2001 in Canada. Three major work stoppages accounted for 72 per cent of the person-days not worked. The strike involving the Canadian Broadcasting Corporation and the Communications, Energy and Paperworkers Union of Canada represented 27,200 person-days not worked, which accounted for approximately 23 per cent of the person-days not worked during the fourth quarter. During the same period, two work stoppages in Quebec, Les manufacturiers associés du vêtement de la province de Québec and La Commission scolaire de Montréal represented 35,200 and 21,900 person-days lost respectively and together accounted for 49 per cent of the fourth quarter total.

Table 1

Major Work Stoppages by Jurisdiction
Fourth Quarter 2001

Jurisdiction	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland and Labrador	1	1,110	19,130
Prince Edward Island	-	-	-
Nova Scotia	-	-	-
New Brunswick	-	-	-
Quebec	3	11,700	66,740
Ontario	-	-	-
Manitoba	1	1,075	4,300
Saskatchewan	-	-	-
Alberta	-	-	-
British Columbia	-	-	-
Territories	-	-	-
Multiprovince	-	-	-
Total Provinces	**5**	**13,885**	**90,170**
Canada Labour Code-Part I	1	1,600	27,200
Federal Administration	-	-	-
Federal Total	1	1,600	27,200
Total	**6**	**15,485**	**117,370**

Source: Workplace Information Directorate

Table 2

Major Work Stoppages by Industry
Fourth Quarter 2001

Industries	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	-	-	-
Utilities	-	-	-
Construction	-	-	-
Manufacturing	1	3,200	35,200
Wholesale and RetailTrade	-	-	-
Transportation	-	-	-
Information and Culture	1	1,600	27,200
Finance, Real Estate and Management Services	-	-	-
Education, Health and Social Services	4	10,685	54,970
Entertainment and Hospitality	-	-	-
Public Administration	-	-	-
Various Industries	-	-	-
Total	**6**	**15,485**	**117,370**

Source: Workplace Information Directorate

All Work Stoppages (One or More Workers)

Table 3

All Work Stoppages by Jurisdiction
Third Quarter 2001

Jurisdiction	Cumulative to September 30, 2001 Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland and Labrador	22	20,294	98,190
Prince Edward Island	-	-	-
Nova Scotia	10	5,926	37,610
New Brunswick	5	5,246	15,370
Quebec	92	29,068	350,340
Ontario	115	31,809	611,610
Manitoba	9	900	56,430
Saskatchewan	8	12,347	65,005
Alberta	5	2,565	80,880
British Columbia	5	2,565	80,880
Territories	1	614	900
Multiprovince	-	-	-
Total Provinces	**304**	**159,712**	**1,733,085**
Canada Labour Code-Part I	14	1,455	65,680
Federal Administration	3	43,388	171,980
Federal Total	17	44,843	237,660
Total	**321**	**204,555**	**1,970,725**

Source: Workplace Information Directorate

Table 4

All Work Stoppages by Industry
Third Quarter 2001

Industries	Cumulative to September 30, 2001 Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	15	4,216	116,230
Utilities	5	842	17,380
Construction	5	15,985	86,360
Manufacturing	100	12,986	440,890
Wholesale and RetailTrade	33	2,487	98,050
Transportation	26	7,645	351,840
Information and Culture	10	1,366	14,700
Finance, Real Estate and Management Services	15	5,120	39,860
Education, Health and Social Services	63	99,360	515,055
Entertainment and Hospitality	32	3,646	71,470
Public Administration	17	50,902	218,890
Various Industries	-	-	-
Total	**321**	**204,555**	**1,970,725**

Source: Workplace Information Directorate

A weekly listing of major work stoppages in Canada and a full chronological perspective are available on the Workplace Information Directorate Web site at:

http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng

Table 5

Work Stoppages—A Chronological Perspective

Period	Number beginning year or month	in existence during year or month*			% of Estimated working time
		Total Number	Workers involved	Person-days not worked	
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,070	0.05
1996	297	330	281,816	3,351,850	0.11
1997	229	284	257,664	3,610,210	0.12
1998	341	381	244,402	2,443,880	0.08
1999	358	413	158,612	2,445,890	0.08
2000	319	377	143,570	1,661,620	0.05
2000					
September	22	76	17,186	115,360	0.04
October	36	87	33,054	194,810	0.07
November	18	77	16,867	203,770	0.07
December	20	77	10,985	115,160	0.04
2001					
January	11	67	7,630	110,840	0.04
February	19	68	8,937	114,200	0.04
March	32	79	16,433	186,740	0.07
April	65	125	53,271	504,560	0.18
May	30	104	42,689	288,685	0.01
June	42	109	45,333	258,260	0.09
July	31	91	19,511	178,545	0.06
August	28	79	78,958	213,255	0.07
September	19	65	23,387	113,180	0.04

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

TECHNICAL NOTES

Data on work stoppages collected by the Workplace Information Directorate of the Labour Program of Human Resources Development Canada covers strikes and lockouts which amount to ten or more person-days lost.

A strike is a concerted work stoppage by a group of employees which is done in order to bring about a change in an employer's position, and it occurs during the negotiating process. A legal strike is one that respects all the conditions mandated by law, most notably that the strike is taking place during negotiations. A strike will be declared illegal if it does not respect the applicable laws. A lockout occurs when work is suspended by the employer or a group of employers in order to pressure employees to change their position, and a lockout must also occur during the negotiating process.

Developments leading to work stoppages are sometimes too complex to make it practicable to distinguish between strikes on the one hand and lockouts on the other.

The major characteristics of work stoppages on which information is gathered are:

Employer – Firm or firms employing the workers reported on strike or locked out.

Location – Location of the plant or premises at which the work stoppage occurred.

Industry – Industry of employer according to the North American Industry Classification System (1997).

Union – The workers' organization(s) directly involved or concerned in the dispute that led to work stoppage.

Workers Involved – The total number, or approximate total number, of workers reported on strike or locked out, whether or not they all belonged to the union directly involved in the dispute that led to work stoppage. Where the number of workers involved varied in the course of the stoppage, the maximum number is used in tabulating annual or other totals. (Where a stoppage commenced in a previous year, the maximum number during the whole stoppage is the number used). Monthly totals are similarly based on the highest figures but allowance is made for changes reported in stoppages extending over two or more months. The total number of workers shown may include the same workers more than once if they are involved in more than one work stoppage during the year (or other reference period). Workers indirectly affected, such as those laid off as a result of a work stoppage, are not included in the data on workers involved.

Starting Date – The day on which the work stoppage began.

Termination Date – For work stoppages that are terminated by mutual agreement, the termination date is the day on which work was resumed. Where normal operations could not be resumed shortly after the employees agreed to return, the day on which they were available for work is regarded as the termination date. Some work stoppages are never formally settled, and this presents statistical difficulties. In such a case, the stoppage is usually considered terminated for statistical purposes, at the date by which it was established that two-thirds or more of the workers involved had either returned to work, or had found work with other employers; or the date by which it was reported that the operations affected by the work stoppage would not be resumed.

Duration – The duration of each stoppage is calculated in terms of working days, including the starting date and all subsequent normal working days up to the termination date. The days counted as working days are those on which the establishment involved would normally be in operation (five days per week).

Duration in Person-Days – Duration in working days multiplied by the number of workers involved. For work stoppages involving establishments in which the number of weekly working days (see Duration above) exceeds the work week of individual employees, the duration in person-days is adjusted by the appropriate ratio. Variations in the number of workers involved in the course of a stoppage are also taken into account in the calculation as far as practicable. The data on duration of work stoppages in person-days are provided to facilitate comparisons of work stoppages in terms of a common denominator; they are not intended

as a measure of the loss of production time to the economy. The expression "Time loss" is occasionally used instead of "duration in person-days". The term most commonly used is person-days not worked due to the duration in person-days of all work stoppages in a year is also shown as a percentage of estimated working time based on estimates of the number of non-agricultural paid workers in Canada obtained from the Labour Force Survey of Statistics Canada.

Jurisdiction – Statistics on work stoppages are also classified according to jurisdiction. This is done on the basis of the government and those businesses covered by Part 1 of the *Canadian Labour Code* whose industrial relations statistics are applicable to the establishment involved in the dispute. (The tabulation of statistics on work stoppages by jurisdiction corresponds to a tabulation by province, except where the Federal jurisdiction is involved.)

The data reflect all work stoppages that have come to the notice of Workplace Information Directorate, and meet the criteria defined above, e.g., minimum person-days. The methods used to secure this information are believed to be adequate to preclude the possibility of major omissions.

Workplace Information

Information sur les milieux de travail

INNOVATIVE WORKPLACE PRACTICES

Tania Plante
Workplace Information Directorate
Labour Program, Human Resources Development Canada

This overview of workplace innovations is based on a review of 86 collective agreements that settled between August and November 2001. Of these, approximately two-thirds (53 settlements) contained provisions deemed innovative or of particular interest.

Duration

The trend towards a contract duration of 36 months continues for approximately half (47.7 per cent) of the collective agreements signed. The number of settlements of 24 months or less represents 19 settlements, while 36 months and more level represents 24 settlements of which eight are greater than 48-months duration.

Compensation

A few examples of innovative practices related to compensation provided for greater flexibility in allocation of wage adjustments. For example, the agreement between the Construction Management Bureau Limited, province-wide, Nova Scotia, and the International Brotherhood of Electrical Workers, provides for the introduction of a **parity increase** provision. Any monetary increase given in this round of bargaining to sheet metal workers or plumbers and pipefitters shall, if it exceeds the negotiated wage adjustments received by the electrical workers, be automatically given to the workers covered by this agreement, unless such increase is negotiated in exchange specific concessions.

The agreement with MTS Communications Inc., province-wide, Manitoba, and Telecommunications Employees Association of Manitoba introduces a **variable pay** plan trial, whereby employees in salary levels 6, 7 and 8 will be eligible to participate and receive a target bonus of up to 5.0 per cent of regular wages, payable in the following year, based on financial targets set within the plan.

BC Gas Utility Ltd., province-wide, British Columbia, and Office and Professional Employees International Union have negotiated a new **Scorecard Program** which replaces the gain-sharing plan. Target payments for 2002 results will be 3.0 per cent of an employee's annual earnings, subject to attainment of satisfactory results pursuant to the Scorecard. The Canadian Pacific Railway, system-wide, and International Brotherhood of Electrical Workers introduced a new **share purchase** plan whereby employees can buy Company shares through payroll deductions and the employer will cover all brokerage fees.

In the settlement between the Capital District Health Authority and the Nova Scotia Government Employees Union, there is a new **market-based adjustment** clause for demonstrated shortages in any particular classification. Also, at Queen's University in Kingston, Ontario, with the Faculty Association, an **anomalies and retention** fund of $400,000 will be used for retention and market-related cases, such as, countering external offers or correcting salary inversions.

Services Minéraux Industriels inc, in St-Honoré de Chicoutimi, Quebec, and United Steelworkers of America have a distinctive **attendance premium** of $100, every six months, for those employees with no absence from work of more than four hours.

Job Security

The settlement between Teck Cominco Ltd., Trail, British Columbia, and United Steelworkers of America, provided an **enhanced employment security** clause. The employer rescinded all layoff notifications and cancelled the planned layoffs for November 2001. If it becomes necessary to reduce employment levels in the future, the employer will attempt to do so through attrition. Also, if the employer decides to **reduce production** during the term of the agreement in order to sell power to the United States, and if this reduction has the potential to impact employment levels, the parties will meet to explore alternative solutions.

The collective agreement between the Capital District Health Authority and the Nova Scotia Government Employees Union, has introduced a clause which stipulates that there will be **no layoff or job loss** for employees with 10 years seniority or more. As well, no layoffs will occur due to contracting-out for any permanent employee regardless of seniority, unless they refuse placement to another position that pays at least 75 per cent of current salary.

The collective agreement between Laidlaw Transit Ltd., Para Transpo Branch in Ottawa, Ontario, and Amalgamated Transit Union, facilitates **part-time employees** to acquire employment security. Full-time positions shall be first offered to part-time employees according to their part-time seniority.

The settlement between Great Atlantic and Pacific Company of Canada Limited and the United Food and Commercial Workers International Union, at various locations in Northern Ontario, provides that when **managers perform bargaining unit work** in contravention of the collective agreement, the employer will pay a penalty of $100 to the Sudbury Cancer Centre (Leukemia Fund).

Training

Innovative practices relative to training generally provide for increases in the employer's contribution to employee development funds. For example, at Cargill Foods, Division of Cargill Limited in Etobicoke, Ontario, the employer has **tripled its contribution** (from $5,000 to $15,000) per year to the United Food and Commercial Workers International Union, Local 175/633, Training and Education Fund.

The employees covered by the collective agreement between the Government of Prince Edward Island, Workers Compensation Board of Prince Edward Island and Island Regulatory and Appeals Commission and the Prince Edward Island Union of Public Sector Employees, can now benefit from a new training and development provision whereby the employer shall contribute **$250,000 per year** to the training and development fund. Each employer will establish a committee, to which the union can appoint two representatives, to develop a training and development policy.

Abitibi-Consolidated of Canada in St-Félicien, Québec, and Communications, Energy and Paperworkers Union of Canada established a provision concerning **new technology**. The employer will help employees affected by layoffs to obtain training that will enable them to qualify for new types of work.

Working Conditions

The employees covered by the collective agreement between the Capital District Health Authority and the Nova Scotia Government Employees Union, can on April 1st of each year, receive **five additional days credited to their sick leave bank**, if they have used seven or fewer general leave days in the previous year.

Two renewal agreements have introduced **voluntary service leave** provisions. The Government of Canada and Public Service Alliance of Canada negotiated a provision of one day to work as a volunteer for a charity or community organization, or to take part in a community activity. The Government of Prince Edward Island and the Prince Edward Island Union of Public Sector Employees stated that employees who volunteer for duty as a volunteer fire fighter or with a emergency measures organization, shall be permitted to be absent from work to provide services during normal working hours.

The settlement between CAMI Automotive Inc. at Ingersoll, Ontario, and the National Automobile, Aerospace, Transportation and General Workers Union of Canada, (CAW-Canada), has introduced **tuition assistance** in the amount of $800 per year per employee dependent enrolled in a college or university. The employees can also benefit from a **childcare supplement** provision to which the employer will contribute $10 per day to a maximum of $2,000 per year per child five years of age and younger.

In the collective agreement between the Saskatchewan Association of Health Organizations and the Canadian Union of Public Employees, various locals, the parties have agreed to introduce a **representative workforce for Aboriginal workers** provision and to facilitate educational opportunities which may include literacy training and training path counselling/planning. The parties also agree to implement educational opportunities for all employees to deal with misconceptions and dispel myths about Aboriginal people. The employer and the union will make every reasonable effort to accommodate an employee who wishes to attend or participate in a spiritual or cultural observance required by faith or culture.

Employee Benefits and Pension Plans

Several agreements include improvements to both benefit levels and scope of coverage as well as enhanced pension plan provisions. A few examples of the more innovative practices are listed below.

The employees covered by the collective agreement between Technologies Industrielles SNC Inc. at Le Gardeur, Quebec, and the United Steelworkers of America, can now benefit from a **phased retirement** plan which allows for a reduction in the hours of work one year before retirement, for a maximum of five employees at a time. Teck Cominco Metals Ltd. in Trail, British Columbia, and United Steelworkers of America reached agreement on a provision concerning **current retiree benefits**. The employer will conduct annual meetings with representatives of retirees to discuss the current pensioner's benefits plan.

The settlement between the Ontario Council of Regents for the Colleges of Applied Arts and Technology, province-wide, and the Ontario Public Service Employees Union provides under vision care benefits, a maximum of $300, every two years and for every year for persons under 18 years of age. Benefits may also be used to cover **laser surgery**.

Labour-Management Committees

Joint committees have been prevalent for a number of years with increasingly diversified and broadened mandates.

The settlement between the New Brunswick Association of Nursing Homes Inc. and the Canadian Union of Public Employees, various locals, has introduced the establishment of a committee which will **review all part-time hours** with the goal of converting such hours to full-time positions.

The establishment of a **health benefit** review committee is also provided for in the collective agreement between the Textron Automotive Company at Port Hope, Ontario, and the United Steelworkers of America. The new committee will assist employees with concerns about claims for health benefits.

Previous Innovative Workplace Practices

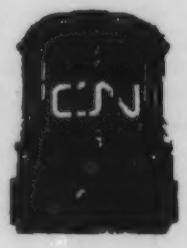
For PDF documents of previously published innovative workplace practices from past issues of the *Workplace Gazette*, visit the Labour Program's Workplace Information Directorate Web site at http://labour.hrdc-drhc.gc.ca

REGIONAL RAILWAY AND GRAIN SYSTEM—PARTNERSHIP PROJECT

Labour-Management Partnerships Program
Human Resources Development Canada

The Prairie rail branch line system is in a rapid state of decline. If present trends continue, within two to three years, most of the grain elevators and branch rail lines could be closed, with significant impacts on labour, farmers and communities.

The Brotherhood of Maintenance of Way Employees started working on the concept of a regional system approach to grain handling and transportation in 1995. These efforts, including consultations with communities and farmers, led Canadian National Railway to respond positively to the proposal of exploring a new option to sustain communities and jobs.



The objectives of this partnership project are to develop a cooperative grain handling and transportation system that can sustain communities, save jobs and enhance regional economies, by providing a not-for-profit service to farmers. By engaging federal and provincial governments in an intermodal planning process, it also attempts to make the best use of existing road and rail infrastructure in order to reduce costs for farmers and taxpayers.

The Project

Early in 2001, the Canadian National Railway and the Brotherhood of Maintenance Way Employees created a steering committee comprised of an equal number of employer and union representatives which initiated the establishment of a cooperative representative of farmers, labour and communities to develop and operate a regional grain transportation system. The fundamental principles of the Co-op were to sustain communities, save jobs and enhance regional economies, providing a not-for-profit service to farmers. Rail lines that would otherwise be shut down would be leased by Canadian National Railway to the Co-op for the collection and transportation of grain in a commercial, deregulated environment. Similarly, the Co-op would revive a decentralized grain handling system in order to minimize trucking distances. The rail employees will be transferred to the Co-op while maintaining all rights under the existing collective agreement with specific flow-back provisions. Finally a commercial agreement between Canadian National and the Co-op would be developed.

The Brotherhood of Maintenance Way Employees wished to sustain communities, good jobs and enhance regional economies by providing a not-for-profit grain collection service to farmers, after covering the fixed cost of investment. It wished to utilize and maximize the usage of Canadian infrastructure for the benefit of all Canadians.

Canadian National believes strongly that exploring these options with the Union and other stakeholders would generate solutions that would provide employment security for rail employees, lower transportation costs for farmers, less truck traffic on community rural roads, continued traffic base for the main rail lines and a fair return to shareholders.

By engaging governments in an intermodal planning process, the objective was to make the best use of existing road and rail infrastructure on the prairies to minimize the total cost of transportation.

Collaborative Efforts

The project evidenced much goodwill and cooperation between labour and Canadian National management, and with communities and grass roots farmers. Initially, due to historical mistrust among different players in the western grain issue, it became important for Canadian National to

— Case study summarized from the report Labour Management Partnership Project Regional Railway and Grain System, July 2001. For more information contact Gary Housch, Vice-President, Brotherhood of Maintenance of Way Employees at <ghousch@bmwe.ca>.

clarify why it was involved. To that end, the Prairie Alliance for the Future organized a meeting of about 100 farmers in Saskatoon on February 16, 2001 at which Canadian National explained its motivations. This was received positively. Communications between the railway and Alliance farmer members evolved into a positive working relationship.

As the project evolved, the Alliance developed a better understanding of the cost structure of the transportation and grain handling systems and the implications and trade-offs between providing service and paying for it. This new insight into the grain handling industry has prompted farmers in the North Battleford territory to develop their own regional grain handling business plan.

Canadian National gained a better understanding of the perspective of farmers, their customers. It cooperated freely in providing cost information requested for the business plan, subject to confidentiality of proprietary information customary to this type of transaction. Farmers and labour became aware that they shared more commonalities than differences. Analysis indicated that, contrary to popular perception, the labour cost of hauling grain by rail was less than by truck.

Although there was, from the beginning, a broad agreement on the parameters of the regional system, the details of implementation required significant work to overcome somewhat conflicting objectives. For example, it was necessary to reconcile Canadian National's commercial objectives with the broader socio-economic objectives of labour, farmers and communities. Communications, patience, trust and much goodwill succeeded. The result was a commercial agreement that also provided the cooperative with the flexibility it needed during the critical five-year start-up period, and the ability to manage its costs with respect to traffic volumes.

Sustained Communities, Saved Jobs and Enhanced Regional Economies

Since the regional railway and grain system project has not been implemented operationally yet, it is too early to judge success. However, there are indications that even the preparatory work has led to a change in direction. For example, before the project there appeared to be no long-term future for the Robinhood/Turtleford and Mantario/Conquest networks. With the recent round of country elevator closures, there would have been little grain handling infrastructure to attract grain. Grain handling on the Tisdale/Turnberry network would have consolidated to just a few centralized elevators involving long truck hauls.

The project has created conditions where the communities and farmers can make a difference by committing volumes to the lines (so-called use it or lose it principle). An organization on the Mantario/Conquest network is planning to build six new grain handling facilities and to ship minimum volumes in order to preserve the rail service. Farmers on the Robinhood/Turtleford network are enthusiastically taking charge of their destiny by developing a local business plan to revitalize grain handling with a mix of country elevators, new loading facilities and producer car spots. There is a better understanding of the true costs of the current system, including making hidden road costs more visible.

There are plans to acquire a number of wooden country elevators that are important employers and a source of tax revenue for small and medium sized communities. These facilities, considered surplus by the grain companies, have a new lease on life in providing value-added services such as blending, segregation and identity preservation. They can also provide processing services for specialty crops, bringing value-added jobs to the countryside.

On the rail side, the business plan anticipates maintaining about 6 to 7 million dollars annual payroll and employment-related expenditures in rural areas. These are not new jobs, but many of them would otherwise be lost if the system continues to centralize activities. Moreover, the designated lines will continue to feed the east-west Canadian system, contributing to jobs and economic activity on Canadian railways and ports. Otherwise, under current trends some of this traffic would be diverted to the United States routes.

Academic Workshop

The University of Saskatchewan Department of Agricultural Economics and Centre for Co-op Studies hosted a workshop on April 19, 2001 that provided a peer review of the proposal for a vertically integrated grain system based initially on 1,600 kilometres of rail line leased from Canadian National Railway.

This symposium brought together experts from a variety of fields to focus on transportation as a key to rural policy and development in Saskatchewan. It investigated the possibilities for collective action by Saskatchewan producers and other stakeholders to create sensible transport policies and

institutions, and to capture value from agricultural production. Tightly focused presentations and in-depth discussions provided participants with a firm foundation for subsequent formulation of specific action plans for their industry.

In summary, the workshop identified risks and challenges that the project could encounter. It also confirmed there was a surplus to capture under a new business model that combined local control with overall coordination where there were economies of scale.

Communications—Grass Roots Outreach

Sessions were held in or concerning communities on the three networks where the project would be implemented. The feedback and response from grass roots farmers and community activists was very encouraging. There were opportunities for significant participation and support at the grass roots level.

Business Plan

The Business Plan, Part I, encompasses the detailed technical, operating, marketing and financial parameters to take over operation of 1,636 kilometres of Prairie branch rail line from Canadian National. Part II provides a similar scope of detail to create a grain gathering/handling system adjunct to the railway for a vertically integrated system. Part III provides an estimate of the benefits of road cost savings that the system would generate.

An important feature of the business plan is the ability of the co-op to reduce its fixed costs and make them more variable with traffic. For example, instead of maintaining dedicated crews and locomotives on the two light density networks (Mentario/Conquest and Robinhood/Turtleford) where trains run infrequently, Canadian National has agreed to supply "power by the hour" only when it is needed.

The Brotherhood of Maintenance of Way Employees, as a member of the Prairie Alliance for the Future, intends to operate a network of Canadian National Prairie branch lines, along with associated storage and loading facilities. The intent is to offer producers lower handling costs and additional value through shorter truck hauls, blending and volume discounts.

Lessons Learned

There is a great deal of mistrust among players in the western grain industry. New solutions that bypass long-standing divisions and entrenched cultural identities are required.

Farmers and communities are grasping for pieces of infrastructure such as elevators or rail lines because they are losing control of the system. The focus of the main railway companies is on adapting to continental competition under North America Free Trade Agreement. The elevator companies are in transition to transnational ownership and restructuring to become grain companies. The challenge is to find the common interest in these trends.

An important first step is to get those involved to recognize the realities of globalization and the changing role of government. Under trade agreements, government can no longer adopt domestic policies or commodity specific subsidies. The transnational grain companies will acquire control of the Canadian elevator companies, and this is well underway. Archer Daniel Midlands has acquired United Grain Growers which is now in the process of acquiring Agricore, the last remaining wheat pool cooperative on the Prairies. Saskatchewan Wheat Pool is already trading on the stock exchange.

Once it is recognized that the old system is crumbling behind the facade, it is then possible to look for common interest in designing a new system. Canadian National wants to haul grain on the main line on commercial terms in a deregulated market. Farmers and communities want to control the use of branch lines to minimize system costs. Workers want good jobs. Common interest meets in the vehicle of a commercial agreement with Canadian National for the use of the lines.

The Alliance has been able to develop a grass roots alternative in the restructuring of the grain system. This enables it to move the debate beyond the rigid traditional, and often adversarial, relationship among stakeholders to identify creative solutions in the common interest.

The business plan demonstrated that most of the benefits of the Alliance system are from grain gathering/handling services and reduced road impacts, both of which are external to the rail network. However, these benefits are not possible without keeping the rail infrastructure in place and improving rail service.

Farmers, communities and workers are best able to capture these benefits through a vertically integrated business model.

Participation of Canadian Pacific Railway

The Canadian Pacific Railway is open to discussing a similar arrangement with the Brotherhood of Maintenance of Way Employees. However, Canadian Pacific has decided to wait until the agreement to transfer the Canadian National lines has been finalized. Meanwhile, Canadian Pacific ownership is being restructured as the company breaks up its conglomerate into separate entities for share trading. The emergence of a regional railway to take over the secondary lines of Canadian National and Canadian Pacific in Western Canada is a growing opportunity. This would free the main line railways to concentrate on their continental restructuring across borders. Having this new regional railway accountable to workers, farmers and communities would ease some of the problems that otherwise would occur with consolidation and restructuring.

Sharing Information

There has already been extensive sharing of information with individuals and organizations not directly involved in the project. Following are some meetings where information about the project was presented:

- **March 15**—Commission on Environmental Cooperation, conference on the North American Free Trade Agreement trade corridors, panel on communities and the environment, Winnipeg. Participation on this panel generated much interest by citizen groups and environmentalists in the United States and Mexico in this initiative as an example of how communities can work to reduce the negative environmental impacts of transportation.
- **May 9**—Canadian Transportation Research Forum, annual conference, Vancouver. Four key individuals in this project filed a paper which was printed in the conference proceedings. A panel presentation stimulated discussion and questions about the project. About 200 academics and planners attended the conference and received the proceedings. Most attendees were from Canada, but also from the United States, Australia, Europe, Asia and Africa.
- **May 25**—Presentation to Human Resources Development Canada labour specialists.

The communications plan to make available information about this project is as follows:

- Presentations to conferences and workshops about the project, results and next steps. These opportunities include industry, government, academic, labour and grass roots venues. This could potentially also involve international conferences on worker participation and cooperatives.
- Posting summary information and updates on a Web site created by the Prairie Alliance for the Future.
- Information sharing during the process of creating the local cooperatives.

Recommendations

Having achieved a commercial agreement with Canadian National to lease on a long-term basis 1,636 kilometres of branch line railway, there are a number of required next steps for the railway component:

- Obtain financing for working capital, equipment and infrastructure, perhaps by capitalizing the savings in road infrastructure costs.
- Obtain a federal certificate of fitness to operate a railway from the Canadian Transportation Agency.
- Hire a General Manager and required staff.
- Develop and implement a detailed plan for resolving employee relations issues relative to the transfer of railway operations to the Prairie Alliance for the Future.

Similar steps must be taken on the grain handling component, for example to acquire and staff country elevators and to prepare plans to develop and research new types of grain handling systems. Further refinements to the business plan are required.

Organization is required to develop the local grain handling cooperatives and create an umbrella federation to achieve both horizontal (region-wide) and vertical (handling and transportation) integration. There is need for education about the cost structure of the industry, and to solicit volume commitments from farmers and their communities.

There is a need for more detailed planning studies for a least cost system in each of the three rail networks: Mantario/Conquest, Robinhood/Turtleford and Tisdale/Turnberry, including the area of Swan River, Manitoba.

SASKATOON DISTRICT HEALTH'S LABOUR-MANAGEMENT CONFLICT RESOLUTION

Barbara Makeechak
Saskatoon District Health

*Saskatoon District Health was formed in 1992 as one of 30 regional health districts as stipulated by the **Health Districts Act of Saskatchewan**. The District has direct responsibility for the operations of three acute care hospitals, community care services, continuing care, mental health services and public health services. It is the single largest employer within the city of Saskatoon and one of the largest employers within Saskatchewan, employing approximately 8,000 people.*

*In January, 1997, the Saskatchewan **Health Labour Relations Reorganization Act** and **Definitions and Commissioner Regulations** amalgamated a number of bargaining units into three specific units of unionized employees. The employees, who had been represented by five different unions, were organized into three unions: Service Employees International Union, Health Sciences Association of Saskatchewan and the Saskatchewan Union of Nurses. This radical restructuring significantly impacted labour relations in health care.*

SASKATOON DISTRICT HEALTH

"working together to improve health"

The Challenge

Saskatoon District Health, health-care unions and all the employees have been at the centre of an era of health-care reform. The health sector is characterized by intense emotion and complex administrative structures. Conflict and disputes arise and consume management and union time, often resulting in increased costs, lower morale and reduced organizational effectiveness for both parties. In this milieu, it is crucial to understand that the "old" or traditional ways of conducting business remain appropriate in many situations but may not always be ideal in others. New and innovative alternative approaches to problem-solving are required.

The Solution

Alternative dispute resolution can offer more cost effective and satisfactory outcomes in some disputes. The focus was placed on joint participation and collaboration in resolving issues in an effort to transform labour-management relationships. It was evident that learning how to manage conflict and use it constructively to improve understanding and cooperation was required. Although it was understood that conflict could not be eliminated, it could be reduced and managed more effectively to resolve problems. Consequently, efforts were directed at providing management and union members with enhanced skills to cope with and resolve complex problems and to create an understanding of alternative dispute processes as options worthy of their consideration, moving towards the formation of enduring, mature labour-management relationships.

The Project

The project enjoyed the full involvement and support of Saskatoon District Health and Service Employees International Union, Health Sciences Association of Saskatchewan and Saskatchewan Union of Nurses. A partnership agreement was established with the Saskatchewan Department of Labour, Labour Relations and Mediation Branch, to further assist with the project by providing excellent coaching and training resources.

"We are grateful for the overwhelming success of our project."

--Barbara Makeechak

The pilot project involved a conflict resolution training program consisting of three levels of skill development. The project provided conflict resolution and joint problem-solving training to 120 union members and management personnel from all types of employment within the District. All participants learned conflict resolution skills in a three-day course that provided an understanding of conflict theory, interest based problem-solving, communication skills and a constructive approach to problem-solving. Additional training was provided to 47 members who attended a three-day workshop on mediation which provided them with a general understanding of the mediation process, techniques and applications. From this group, 19 participants attended a three-day coaching/instructor training course enabling them to provide conflict resolution training at Saskatoon District Health in the future. All of the courses ensured that trainees practiced new skills in a joint union-management environment. Training opportunities were provided on an equitable basis to all of the three unions and management. Each organization selected their participants with the understanding that all sessions would involve joint, interactive training.

The project was jointly developed, coordinated, delivered and evaluated by a union-management steering committee. A consultant was hired to provide the training and to help develop training manuals and materials for the project which would also serve to guide and facilitate future training initiatives within the District. The committee met on an informal basis to consult, discuss ongoing issues, plan and make decisions around all aspects of the project.

An initial questionnaire was immediately distributed to union leadership and human resource personnel to determine particular issues or interests they wanted covered in course materials. Evaluation tools were developed to assess skill levels before and after attending the workshops. Course manuals were also developed. Training began in mid-October 2000, and continued until mid-March 2001. Evaluative feedback was sought after each teaching day and was dealt with accordingly. Students also completed a final course evaluation form. Finally, a course follow-up evaluation was carried out during June 2001. All evaluation results indicated a highly satisfactory experience.

Workshop Descriptions

The three-day **Conflict Resolution** workshop enabled participants to:

- describe the essential skills for managing conflicts constructively;
- identify the dynamics that affect conflict situations;
- describe their conflict resolution style and how it affects outcomes;
- describe their strengths and weaknesses in conflict situations;
- speak and listen in a non-defensive way; and
- use the model presented, in addition to using skills to collaboratively resolve a conflict.

The sessions were highly interactive and coaches were available to give ongoing guidance and feedback. Classes were held in October, November, and December 2000 and in January 2001.

In the three-day workshop on **Mediation Skills**, participants learned to:

- describe their role in a mediation setting;
- describe the process of mediation and how it differs from other forms of dispute resolution;
- utilize a mediation model to assist parties to resolve a dispute;
- use communication skills to assist the parties to resolve a dispute;
- manage the emotional climate; and
- balance power constructively.

The sessions were interactive and coaches provided continuous guidance and feedback. Classes were held in January and February 2001.

The **Training and Coaching Conflict Resolution Skills** training courses were divided into two parts: instructor and coaching sections. Participants practiced:

- delivering a module workshop;
- learning to handle questions, resistance and feedback; and
- give constructive feedback as a coach.

Experienced training coaches provided assistance as instructors-and coaches-in-training practiced. Classes were held in March 2001.

Conclusion

Trainees' communication skills were evaluated prior, immediately after and four months after the training. Key feedback results

indicate participants improved their ability to be empathetic, to understand and identify someone else interests or needs.

The teaching and practice of alternative approaches to dispute resolution provided union and management with skills and new strategies to approach future workplace issues in a creative and innovative fashion-skill levels were estimated at 2.95 prior to the training and rose to 3.77 four months thereafter. Speaking skills, which involved the ability to respectfully and assertively disclose interests or needs without being defensive, improved from an average score of 3.01 to 3.74. Trainees' understanding of how personal conflict resolution styles impact on interactions in conflicted situations significantly improved from a pre-training average score of 2.25 to a post-training score of 3.76.

The most important improvement was evident in participants' understanding of a collaborative conflict resolution model and how to apply such a model. In this area, average scores rose from 1.79 to 3.76.

Feedback clearly indicates that the goals of effective skill building, creating an understanding of alternative processes and establishing a core of people dedicated to utilizing skills and processes in the future were achieved. Furthermore, the development of training materials and training of personnel will allow the process of changing organizational culture with respect to dispute resolution to continue.

Union and management project participants remain enthusiastic about the future usefulness of dispute resolution skills. A number of means are being considered to continue to apply these learnings. Establishment of an Alternative Dispute Resolution Working Group to examine committees, issues, etc. that could apply collaborative resolution processes to specific problems is being considered. A network of practice groups, mediation resources, and determining how to assess future training needs and available resources is being explored.

From these early beginnings, it is hopeful that future challenges in the health care environment can be confronted with new skills and innovative strategies to resolve the inevitable conflicts that will arise.

The views and opinions expressed in this document do not necessarily reflect the position of the Labour Program, Human Resources Development Canada.

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PRODUCTIVITY AND SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS—TRAINING, RETRAINING AND EDUCATIONAL LEAVE PROVISIONS

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This article is based on contract clauses found in major Canadian collective agreements covering 200 or more employees in sectors under federal jurisdiction and 500 or more employees in sectors under provincial jurisdiction. Relevant provisions were identified and statistics compiled from the Workplace Information Directorate's Collective Agreement Information Retrieval System database. Negotech, an electronic document dissemination system that includes contract summaries as well as full-text collective agreements, was used in order to identify specific examples and clauses. Because the Directorate's database was under review at the time of analysis, the statistics presented in this article are based on agreements that were in effect in January 1998. This database included 1,077 agreements covering 2,244,122 employees. Although the statistics are based on 1998 data, efforts were made to quote examples from contract clauses taken from the most current collective agreements.

Introduction

The issue of productivity has become a key preoccupation of government. This is due in part to concerns about the competitiveness of enterprises in an increasingly globalized economy and the desire to improve living standards, employment and social cohesion.

Loosely defined as "a measure of how effectively the resources of an economy are translated into the production of goods and services," productivity is arguably "the single most important determinant of a nation's living standard or its level of real income" (Harris, 1999).

The issue of identifying the determinants or correlates of labour productivity has been of interest to academics as well as business and political leaders. Workplace training and the development of employees' skills through retraining and education have commonly been recognized as important factors in improving labour productivity and in meeting changing skill requirements. According to a recent survey, "research to date shows an association between training and productivity but cannot establish a cause-effect relationship" (Statistics Canada, 2001). A number of past studies on this topic support this conclusion (Bartel, 1995; Black and Lynch, 1997).

First, in a recent paper titled *Productivity and Gainsharing*, the International Labour Organization stressed the need to improve the quality of production as part of a tripartite growth strategy, whereby governments, businesses and unions all play a role and cooperate in partnership to improve productivity. Amongst many other factors, the Organization cited technological change and capital improvement as major productivity determinants. However, it believes that the proper training of employees in the use of the new equipment and technology is often neglected (Bernolak, 2000).

Second, in a paper published by Industry Canada (1999), the most important drivers of productivity were identified as investment in machinery and equipment; education, training and human capital; and openness to trade and investment (Harris, 1999).

— This article is based in part on previous unpublished research by Charles Philippe Rochon, Strategic Policy and International Labour Affairs, Labour Program, Human Resources Development Canada.

Third, a 1998 report on Canada by the Organization for Economic Cooperation and Development pointed to the importance of training and skill enhancement in improving the productivity of workers. It highlighted the importance of union and management cooperation and coordination in providing employer-centred training in the use of new technology and other skills needed in a knowledge-based economy. It also described the importance of this cooperation in providing greater support for dislocated workers through placement services, counselling and access to retraining. Also emphasized was the need for creating better linkages and transitions from school and work as well as developing general training standards. Available evidence is supportive of a positive effect of training on labour productivity (OECD, 1998).

Lastly, a report published in 1997 by Canadian Policy Research Networks found that the productivity of companies with training programs was significantly better than that of those with no training programs. Moreover, this advantage was greatest for those companies with the strongest commitment to training (Betcherman, Leckie and McMullen, 1997).

Although not all studies have conclusively established a cause-effect relationship between training and productivity, the benefits of training and education programs are quite apparent. In the context of workplace restructuring (i.e. technological and organizational change), for example, training is widely regarded by many employees and employers as a means to increase job security, foster employee advancement and career development, and improve working conditions generally (e.g. health and safety). Employers also benefit from employee training through a more productive, flexible and versatile workforce able to rapidly fill vacancies that may arise and thus ensure continuity of operations. A more productive workforce can also translate into greater profit margins for companies.

This article highlights training, retraining and educational leave provisions found in major Canadian collective agreements. The article is subdivided into four sections, each dealing with a particular set of collective agreement provisions:

- *Training*—Training provisions deal with on-the-job training, training courses and apprenticeship programs.
- Retraining—Retraining provisions deal with an employee's right to retraining or make reference to retraining, especially in cases of technological and organizational change. Some also deal with the notion of functional flexibility or multiskilling.
- *Educational Leave*—Educational leave provisions deal with various types of leave. For the purposes of this article, we will focus on job-related educational leave, general educational leave and sabbatical leave.
- *Other Training and Education-Related Provisions*—This fourth section deals with two important issues related to training and education: training and educational funding and joint committees.

Conditions for Training, Retraining and Educational Leave

Almost all collective agreements with training, retraining or educational leave clauses indicate that employees who wish to undertake training at the employer's expense must submit a written application and obtain the prior approval of their managers. Such approval often depends on available resources and on whether the training can satisfy the needs of the employer (e.g. can contribute to greater employee output).

The selection of applicants for training, retraining or educational leave is commonly based on seniority ranking. In addition to seniority, other factors such as qualifications, aptitudes, knowledge, prior education, minimum length of service, and work records are often considered.

Finally, another condition frequently required is that the number of employees on leave or training must not interfere with the requirements and efficiency of operations in a department. However, some unions have negotiated provisions whereby an employer is required to maintain a list of trained backup operators sufficient to meet the requirements of operations while employees are absent for training purposes. Some agreements also give the employer the right to recruit a temporary replacement for the period of an employee's absence, provided the employee is reinstated after the period of training.

Obligations of Employees Who Have Received Training

Employees who have received special training for a particular position are sometimes "locked in" for a period of time. They may be expected to fill vacancies in that classification, or they may be obligated to bid on any assignment for which they were trained, or they may be ineligible to apply for another position within the company.

In some cases, employees who have completed training for a specific position may be required to fill future vacancies for that position, regardless of location and regardless of whether it is a permanent or temporary position.

If an educational leave is paid, employees must generally continue working for their employer for a certain period of time (e.g. equivalent to the length of the educational leave).

1. Training Provisions

This section focuses on three types of training provisions commonly found in collective agreements: on-the-job training, training courses and apprenticeship programs.

Training Provisions

In January 1998, 47.7 per cent of major collective agreements, covering 54.2 per cent of employees (1,216,440), had provisions pertaining to **on-the-job training**, compared to 33.7 per cent of agreements and 42.4 per cent of employees (950,566) covered by provisions for **outside courses**. Provisions pertaining to **apprenticeship** training were found in 33.6 per cent of agreements covering 33.9 per cent of employees (760,359).

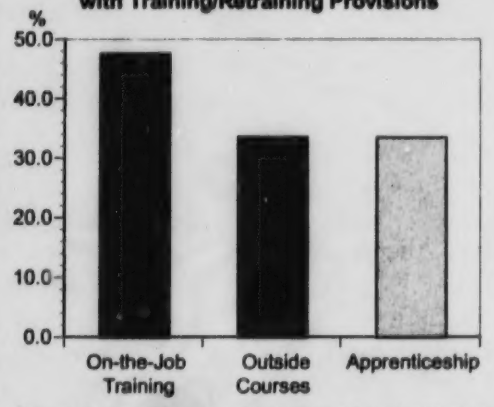
The most important issues with respect to these training programs include their availability, the selection process used to determine who will be trained, and the apportioning of costs (whether employees must disburse part of the training costs, use their free time, take an unpaid leave, etc.). Employees can benefit the most when agreements specify that all training-related expenses must be paid for by the employer and that training is to be offered, on a regular basis, to all employees. Additional factors are usually considered as well, such as qualifications, aptitudes, prior education, and work records.

On-the-Job Training

On-the-job training may be provided to any newly hired employee; any employee who moves from one position to another or who is assigned to duties requiring new knowledge; or any employee who moves from one class of employment to another (i.e. promotion). Clauses dealing with on-the-job training typically refer to training opportunities, preference for training based on seniority, or specification of timing and rate of pay for both trainees and trainers when the latter are employees of the company.

Many collective agreements formally recognize the importance of providing training opportunities to ensure a qualified workforce, to upgrade skills and to facilitate the acquisition of new skills.

Percentage of Major Collective Agreements with Training/Retraining Provisions



Source: Human Resources Development Canada, Workplace Information Directorate, CAIRS Database (January 1998).

Fording Coal Limited *and the* **United Steelworkers of America, Local 7884 (1996–2001)** "The Company and the Union recognize the importance of assisting employees to improve their knowledge and skills so that each employee may realize advancement in responsibility and pay." One concrete measure towards attaining this goal is the creation of a Joint Education and Development Committee.

Insurance Corporation of British Columbia *and the* **Office and Professional Employees International Union, Local 378 (1999–2003)** "The Corporation and the Union believe in the benefits of employee training and development. The purpose of training is to provide for upgrading of an employee's knowledge, skills and abilities in order to meet the requirements of their present position, or to develop toward future career alternatives."

Pratt & Whitney Canada Inc. *and the* **National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), Local 510 (1999–2002)** "...employee training must be an integral part of a healthy management to achieve corporate objectives and thereby continuously improving employees' performance and maximizing corporate operations. As in the past, management will continue to contribute generously in the continuous trainir.g of employees."

St. Lawrence Seaway Management Corporation *and the* **National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (1999–2000)** "Employees shall be encouraged to learn the duties of other positions and every opportunity shall be afforded them to learn the work of such other positions in their own time or during their working hours when it will not unduly interfere with the performance of their duties. The Corporation will not unreasonably withhold training opportunities to any employee who has indicated a desire to learn the work of other positions. For this purpose, applicants for training for promotion shall be selected in order of seniority except as otherwise agreed between the Corporation and the Union."

As stipulated in the previous example, a number of collective agreements require that training opportunities be allocated in accordance with seniority, and that senior employees who apply for promotion to a vacancy must be given a trial and training period.

City of Edmonton *and the* **Canadian Union of Public Employees, Local 30 (2001–2002)** "Training opportunities shall be provided to employees on the list in order of seniority."

Government of New Brunswick *and the* **Canadian Union of Public Employees, Local 1253 (1998–2001)** "In filling job vacancies, including promotions, reclassifications, transfers and new positions, the job shall be filled within forty (40) working days of the vacancy by the senior applicant, provided he is able to perform the job. . . . Consideration for promotion shall be given to the senior applicant who does not possess the required qualifications but is preparing for qualifications prior to filling the vacancy. At the discretion of the employer, such an employee may be given a trial period to qualify within a reasonable length of time and will revert to his former position if the required qualifications are not met within such time."

The time employees spend on training is typically during regular working hours and compensated at the usual rate of pay for their classification.

Imperial Tobacco Canada Limited *and the* **Bakery, Confectionery, Tobacco Workers and Grain Millers International Union, Local 323T (2000–2004)** "When an employee is being trained on a job in a higher rate of pay for one (1) continuous hour or more, he will be paid a rate which is immediately below the rate of the job for which he is being trained, during the training period. An employee demoted or moving laterally will retain his previous rate until completion of training, at which time he will assume the job rate."

In the event training is scheduled on a day of rest or when employees are required to work overtime while receiving training, many companies provide for payment of time and a half.

Spruce Falls Inc. *and the* **Joint Union Coalition Agreement (1999–2005)** "Any employee being trained for an occupation shall be paid time and one-half when it is necessary for him to work overtime while receiving such training. The rate of pay will not be changed until he is competent to handle the new occupation alone. However, if called in on a day of rest for such training, all hours worked will be paid at time and one-half—every effort will be made not to schedule training on days of rest; the rate of pay applicable when training will be the rate of pay of the job the employee would have worked if he was not training."

In addition to an employee's regular salary, many employers provide training premiums to employees who are called upon to train other employees. This type of provision is particularly beneficial to senior employees, who are often called upon to train their fellow employees because of their extensive experience and knowledge.

Canadian Broadcasting Corporation *and the* **Canadian Media Guild-Administrative Unit (1999–2001)** "When an employee is assigned to train...s/he shall be entitled to a training premium of nineteen dollars and fifty cents ($19.50) per day in addition to his/her normal pay."

Legacy Hotels Corporation (Royal York Hotel) *and the* **Hotel Employees and Restaurant Employees International Union, Local 75 (1999–2002)** "A certified (by the Company) employee required by the Company to act as a trainer will receive a premium of fifty (50¢) cents in addition to his/her hourly rate of pay for all hours assigned to training other employee(s)."

Clauses pertaining to formal mentoring programs are also found in major collective agreements.

Ontario Hospital Association *and the* **Ontario Nurses' Association (1998–2001)** "Nurses may, from time to time, be assigned a formal mentorship role for a designated nurse. . . . The Hospital will pay the nurse for this assigned additional responsibility a premium of sixty (60¢) cents per hour, in addition to her or his regular salary and applicable premium allowance."

Involving older workers in such activities not only formally recognizes and validates their knowledge and experience, but ensures valuable corporate memory is not lost. Furthermore, such programs can have a positive effect on retaining valuable older employees.

Training Courses

A number of agreements provide employees with the opportunity to improve their skills by offering training courses, seminars, conferences, conventions and workshops that may take place on or off the premises.

Provisions regarding training courses may include a reference to reimbursements for tuition, registration fees, books and materials, accommodation or any other related expenses required. Details regarding application and selection for such training courses may be specified in the collective agreement. Also, some agreements give preference to senior employees, and some specify that employees taking training courses will not suffer a loss of earnings. Finally, some agreements provide for monetary incentives to encourage employees to enrol in training courses.

In 1998, almost one third of major Canadian collective agreements contained clauses pertaining to training courses. In almost 90 per cent of cases, these clauses stipulated that the employer would pay the full cost of tuition and other related expenses.

Bravo! Canada, City TV, MuchMusic Network and other divisions of CHUM Limited *and the* **Communications, Energy and Paperworkers Union of Canada (2000–2003)** "If the Company requests that an employee attend a particular course, seminar or continuing education program, and the employee agrees, the Company will pay one hundred percent (100%) of the costs."

Insurance Corporation of British Columbia *and the* **Office and Professional Employees' International Union, Local 378 (1998–2003)** "The Corporation will reimburse the full cost of books and tuition fees and such other expenses as may be approved by the Corporation of any course where such training is directly related to the employee's job. The Corporation will make full reimbursement to the employee upon the successful completion of each term in case of courses lasting more than one (1) year."

A.G. Simpson Co. Limited *and the* **National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (1998–2001)** "Programs approved will be reimbursed by the Company, to include all necessary books and tuition fees, upon successful completion."

Société des Casinos du Québec inc. *and the* **Canadian Union of Public Employees, Local 3939 (1998–2002)** [translation] "Registration and tuition fees, books and necessary learning materials, travel costs and expenses for meals outside the region shall be fully reimbursed by the employer, in accordance with established policies and budgets, upon the presentation of vouchers."

The most common factors considered in determining the amount to be paid by the employer are whether or not the course is at the employer's request and whether or not it is directly related to the employee's job or is in some way beneficial to the Company. Approval and proof of successful completion of the course are usually required. The following provision highlights these stipulations:

BC Gas Utility Ltd. *and the* **Office and Professional Employees' International Union, Local 378 (1998–2000)** "Employees may apply on the prescribed educational assistance form for financial aid to undertake a course of outside training. The degree of financial aid assumed by the Company will depend upon the circumstances involved as follows: a) Full cost of training (tuition fees, required textbooks and such other expenses as may be approved by the Company) will be borne by the Company where the training is at the instigation of management (e.g. Industrial First Aid Training). Such training requires written approval of a Regional Manager or Department Head. b) The full cost of training (tuition fees, required textbooks and such other expenses as may be approved by the Company) will be reimbursed to a working employee upon successful completion of such training or course—where written approval has been obtained from the Company prior to the commencement of such training or course, and the Company agrees that this additional training bears direct relevance to the employee's current job or recognized career path within the Company. c) One-half the cost of training (tuition fees, required textbooks and such other expenses as may be approved by the Company) will be reimbursed to a working employee upon successful completion of such training or course—where written approval has been obtained from the Company prior to the commencement of such training or course, and the Company agrees that this additional training would be helpful in broadening the individual's abilities in a work-related way or could be of future use to the employee in working with the Company."

Selection for training courses is often based on seniority.

Government of Newfoundland and Labrador *and the* **Newfoundland and Labrador Association of Public and Private Employees (2001–2004)** "In the process of selection from those applicants who are members of the bargaining unit, seniority shall prevail, provided that the senior applicant meets the required qualifications for admission to the course."

Some agreements contain provisions guaranteeing employees no loss in wages, benefits or seniority when attending training courses authorized by the employer that take place within regular working hours.

Regional Health Authorities of Prince Edward Island *and the* **International Union of Operating Engineers, Local 942 (2000–2003)** "When an employee is required or requested to up-date himself through an Employer approved training courses and such request comes from the Employer, such employee will suffer no loss of remuneration or benefits while on training."

Board of School Trustees of School District No. 36 (Surrey, B.C.) *and the* **Canadian Union of Public Employees, Local 728 (1999–2001)** "Where the Board has authorized an employee to take a course(s) of instruction the employee will not suffer a loss in wages, benefits or seniority."

Highland Valley Copper *and the* **United Steelworkers of America, Local 7619 (1998–2003)** "The Company agrees that where it is necessary in the opinion of the employer for an employee(s) to take a course in order to continue to work in his present classification and such course is only available at a time when the employee is normally at work to: i) where possible offer work on a different schedule such that the employee can attend the course without losing time—or if that is not possible—ii) pay for the working time lost to attend the course."

Lastly, some agreements include incentives for employees to take study courses.

Inco Ltd. *and the* **United Steelworkers of America, Locals 6200 and 6500 (1997–2000)** "The Company will pay to each employee who successfully completes such a study course an amount equal to the employee's basic rate for one-half (1/2) of the standard hours specified for the completion of such study course."

Apprenticeship Programs

Many employers provide apprenticeship programs. Although these are usually designed to train students and potential future employees, they can also provide unskilled employees with the opportunity to receive occupational and vocational training.

As was the case with on-the-job training and training courses, the employer absorbs almost all costs relating to apprenticeship programs.

Canada Post Corporation *and the* **Canadian Union of Postal Workers (2000–2003)** "The Corporation shall pay the full cost of any formal apprenticeship program required by the Corporation and any actual and reasonable living out expenses for an employee who is required to live away from his/her home during such training."

Fletcher Challenge Canada Limited *and the* **Pulp, Paper and Woodworkers of Canada, Local 2 (1997–2003)** "The Company will pay 100 per cent of the cost of text books specified by the Apprenticeship Branch. The apprentice will keep these books as his personal property."

Most agreements provide that the selection of applicants for apprenticeship programs is to be based on such criteria as seniority, skill, aptitude, qualifications and learning capacities. However, agreements attach a varying degree of importance to each one of these criteria, especially seniority rights.

Highland Valley Copper *and the* **United Steelworkers of America, Local 7619 (1998–2003)** "The selection [of apprentices] shall be based upon the seniority of applicants who are qualified...and who successfully complete the preapprenticeship examination."

Reynolds Metals Company Ltd. *and the* **Syndicat national des employés de l'aluminium de Baie-Comeau (CSN) (1998–2003)** [translation] "The employer shall offer permanent vacant trade apprenticeship positions to production employees.... The employer shall choose the employees on the basis of their abilities, education and seniority."

PPG Canada Inc. *and the* **National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (1999–2002)** "Selected applicants will be subject to a battery of tests and be interviewed for an assessment of their qualifications. Selection of apprentices under this program shall be based on the test results referred to...above as well as the applicants' skill, efficiency and ability to perform the work. The above being relatively equal, seniority shall govern."

Canada Post Corporation *and the* **Canadian Union of Postal Workers (2000–2003)** "The most senior applicants who meet the requirements must pass an aptitude test administered by a school or college chosen by the Committee and recognized for technical training programs."

2. Retraining Provisions

This section focuses on three types of retraining provisions: provisions that recognize an employee's right to retraining or include a reference to retraining, provisions that deal specifically with the issue of retraining due to technological or organizational change, and lastly, provisions that seek to enhance and promote an employee's functional flexibility.

The introduction of new technologies and the accompanying reorganization of the production process are widely regarded as one of the key determinants of productivity growth. However, the ensuing changes may have deleterious effects on employees in terms of job conditions and security of employment. As a result, unions usually insist on being given advance notice of technological and organizational changes and on being consulted on their implementation.

Many unions and employers, in order to minimize workplace disruption and assist employees affected by technological changes, have negotiated various provisions concerning retraining, employment and job guarantees, and compensation packages for employees who are permanently losing their jobs. These are often seen as an employer compromise in exchange for union and employee support for workplace reorganization.

Right or Reference to Retraining

The acquisition of new skills may become necessary in situations involving vacancies, transfers or promotions. Under these circumstances, clauses reinforcing an employer's commitment to retraining or recognizing an employee's right to retraining are intended primarily

to ensure employee job security and the smooth flow of operations. Such provisions may specify who is eligible for retraining, and under what circumstances. They may also stipulate whether retraining is mandatory or not. Finally, some agreements provide educational funding as part of a severance package to assist employees in their retraining efforts.

As previously mentioned, some retraining provisions seek to ensure employee job security by implicitly stating that future human resource needs will be met internally by retraining current employees.

Hudson Bay Mining and Smelting Co. *and the* **United Steelworkers of America, Locals 7106 and 8262 (2000–2002)** "It is understood that if new skills are required, the Company shall take steps to provide training for employees so that, by and large, new skill requirements are met from within the existing work force."

Manitoba Hydro-Electric Board *and the* **International Brotherhood of Electrical Workers, Local Union 2034 (2000–2003)** "Where possible and feasible, eligible employees will be given the opportunity to undertake a planned retraining program for targeted vacancies to secure ongoing employment."

Some agreements specify who the retraining program is intended for (e.g. displaced workers) as well as who is eligible to participate (e.g. full-time employees).

Harmac Pacific Incorporated *and the* **Pulp, Paper, and Woodworkers of Canada, Local 8 (1997–2003)** "The Company agrees to participate in a program of training or retraining for another job within the operation for those employees who are displaced under the circumstances set forth herein." (Permanent mill closure, job elimination, etc.)

Comité patronal de négociation des collèges [Employers' Committee for College Negotiations] *and the* ***Fédération du personnel professionnel des collèges*** **(1998–2002)** [translation] "When an employee changes occupation as a result of a transfer, the College shall submit, if necessary, a retraining plan to facilitate the professional's integration into the new job. The College and the professional shall agree on the retraining terms and conditions."

Manitoba Hydro-Electric Board *and the* **International Brotherhood of Electrical Workers, Local 2034 (2000–2003)** "The retraining Development Plan may include use of existing training opportunities such as apprenticeship training, in-house training, course rebate program, external courses and seminars. This program is only available to full-time permanent employees whose positions have been declared redundant or who have been displaced by redundant employees and who have both the potential and interest in pursuing the retraining opportunity."

Retraining may or may not be mandatory for targeted employees. However, refusing retraining may entail certain risks.

Inco Ltd. *and the* **United Steelworkers of America, Local 6166 (1999–2002)** "...any employee...may at any time be required by the Company to accept any training in any occupational classification which is offered to him by the Company. ..."

Guilde des manufacturiers de vêtements de mode du Québec [Fashion Clothing Manufacturers' Guild of Quebec] *and the* **Conseil conjoint québécois of the Union of Needletrades, Industrial and Textile Employees (1998–2002)** [translation] "Any employee who is unable or unwilling to take a training or retraining course shall retain the same classification, or its equivalent, in the bargaining unit. If no alternative trade is available, the parties shall discuss the problem in order to resolve it."

Retraining may also be offered as part of a severance package, to help displaced employees find new jobs. In the event of a lay-off, such a clause can be beneficial to employees who may need to upgrade their skills in order to secure new work opportunities.

Canadian Broadcasting Corporation *and the* **Canadian Media Guild-Administrative Unit (1999–2001)** "Any employee who has completed his/her probationary period, and has been selected for employment by the contractor, will be laid-off without right of recall from the Corporation. . . . In addition, the employee will immediately receive educational funding equal to one (1) week's salary per completed year of service or major portion thereof."

Technological Change

Measures designed to cushion the impact of technological change are found in a number of collective agreements. One such measure is to provide retraining opportunities to assist employees in developing the skills required to properly operate the new technologies that have been introduced into the workplace. With regard to training, the following technological change provisions are particularly important: recognition on the part of the employer of the need to minimize the negative effects, requirement on the part of the employer to provide training opportunities, and specification of the length and timing of the training opportunities as well as their impact on pay, benefits and seniority.

Technological Change

In January 1998, a requirement on the part of the employer to provide training to employees subjected to the introduction of **technological change** was specified in 21.6 per cent of major Canadian collective agreements, covering 22.3 per cent of employees (501,451), while a general reference to retraining under these circumstances was present in 22.0 per cent of agreements covering 23.1 per cent of employees (518,690).

In the *Canada Labour Code*, "technological change" means: "(a) the introduction by an employer into his work, undertaking or business of equipment or material of a different nature or kind than that previously utilized by the employer in the operation of the work, undertaking or business; (b) a change in the manner in which the employer carries on the work, undertaking or business that is directly related to the introduction of that equipment or material."[1]

Many provisions dealing with these changes include a commitment on the part of both parties to minimize their negative effects on both the workplace and the workforce.

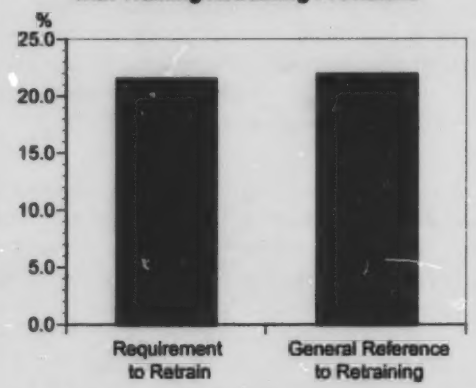
Canada Post Corporation *and the* **Canadian Union of Postal Workers (2000–2003)** "In carrying out technological changes, the Corporation agrees to eliminate all injustices to or adverse effects on employees and any denial of their contractual or legal rights which might result from such changes."

Following are examples of provisions requiring employers to provide training to employees subjected to the introduction of technological change:

Aéroports de Montréal *and the* **Syndicat des employé(e)s des aéroports de Montréal (CSD) (1998–2001)** [translation] "If the implementation of technological change renders an employee unable to perform his/her duties, the Employer must provide the employee with job-related retraining, provided that the employee has the knowledge and potential required to undergo retraining."

Laurentian Bank of Canada and Laurentian Trust of Canada Inc. *and the* **Office and Professional Employees International Union, Local 434 (2000–2001)** [translation] "The Bank agrees to provide the training needed to enable employees to continue to hold the position they are in, or a position in the same class."

Percentage of Major Collective Agreements with Training/Retraining Provisions



Source: Human Resources Development Canada, Workplace Information Directorate, CAIRS Database (January 1998).

[1] Canada Labour Code, R.S.C 1985, c.L-2, s. 51(1); 1999, c.31, s. 162(d).

Many agreements address other issues of importance to employees such as the length and timing of the training period and its impact on pay, benefits and seniority.

Dominion Stores *and the* **Retail Wholesale Canada Canadian Service Sector Division, United Steelworkers of America, Local 597, AFL-CIO/CLC (1997–2003)** "An employee who is displaced from his/her job, by virtue of technological change, will be given the opportunity to fill other vacancies for which he/she is qualified, and has the ability to perform, according to his/her seniority. Should the employee not be qualified, he/she shall be given a ninety-day training period. This ninety-day training period will be provided for the employees affected. Training, whether on or off the job, shall be paid for by the Company. The Company will meet with the employees affected for the purpose of consulting on the effect of the change and to arrange training."

Halifax Regional Municipality *and the* **Halifax Civic Workers' Union, Canadian Union of Public Employees, Local 108 (2000–2004)** "Where new or greater skills are required than are already possessed by affected employees under the present methods of operation, such employees shall, at the expense of the Employer, be given a period of time not to exceed nine (9) months, during which they may perfect or acquire the skills necessitated by the new method of operation. There shall be no reduction in wages or salary rates during the training period of any such employee or while the employee is in the reclassified position. Should the introduction of new methods of operation create a need for the perfection or acquisition of skills requiring a training period of longer than nine months, the additional training time shall be provided unless the Employer can prove it is unreasonable or economically prohibitive. The training provided in this article shall be given during the hours of work whenever possible. Any time devoted to training due to technological change shall be considered as time worked. Employees who attend training outside normal working hours, shall be provided with time off in lieu, at straight time rates, at a time to be mutually agreed between the employee and the supervisor."

Government of New Brunswick *and the* **New Brunswick Public Employees Association (1997–2002)** "If as a result of change in technology the Employer requires an employee to undertake additional training, the training will be provided to the employee. Such training shall be given during the hours of work whenever possible. Any training due to technological change shall be at the Employer's expense without loss of pay to the employee."

Board of School Trustees of School District No. 61 (Greater Victoria, B.C.) *and the* **Canadian Union of Public Employees, Local 947 (2000–2003)** "Should the introduction of technological change result in substantial changes in an employee's procedures or position and/or increased skills and abilities required, then the Board will provide training and equipment up to a maximum of three (3) months with no loss of pay, benefits or seniority."

Functional Flexibility or Multiskilling

Functional flexibility refers to an employee's ability to perform a wide variety of tasks. Access to a flexible workforce can help firms respond better to labour output requirements, thereby enabling them to remain competitive and improve productivity. However, success in these endeavours will depend on the incentives that employees have for skill acquisition, and on the training opportunities made available.

Providing employees with the opportunity to acquire new skills not necessarily related to their current duties enhances their professional flexibility and, thus, their job security. These measures also have a positive effect on plant production and output. Increasingly, agreements include provisions providing for employee cross-training, thereby ensuring that companies meet their qualification and skill requirements. The following examples highlight provisions pertaining to the issue of functional flexibility or multiskilling.

The first example, taken from a letter of understanding, addresses the issue of workplace flexibility and the training required to ensure its successful implementation.

Hudson Bay Mining and Smelting Co. Ltd. *and the* **United Steelworkers of America, Locals 7106 and 8262 (2000–2002)** In the letter of understanding, both parties recognize the relationship between "employment security, employment empowerment and the flexible use of employee skills" aimed at meeting production targets and cost-cutting goals, in order to ensure the continued viability of the enterprise. This

flexibility would allow employees to perform any work provided they possess the necessary knowledge and skills to do so safely. The letter of understanding further states that a subcommittee will be established with responsibility for reviewing training programs designed to provide employees with the necessary knowledge and skills to perform additional duties safely. Job training and education with respect to processes, and the business generally, will be provided and individual development will be encouraged by providing opportunities and resources to allow employees to reach their full potential within the organization.

The second example highlights an incentive mechanism that rewards employees who complete a special training program intended to enhance employee flexibility and who successfully utilize their new skills.

Weyerhaeuser Saskatchewan Ltd. *and the* **Communications, Energy and Paperworkers Union of Canada, Local 1120 (1997–2003)** A flexibility premium has been introduced whereby, effective June 1, 1999, "The following payments will be made for flexible work practices: Maintenance employees, 95¢ per hour and Operations and all other employees, 40¢ per hour. To be implemented as follows: Upon ratification of the collective agreement, 45¢ per hour for maintenance employees and 20¢ per hour for operating and all other employees. Immediate utilization of existing skills that may not have been previously used due to restrictive work practices. Employees assisting each other regardless of departmental occupation, 25¢ per hour for maintenance employees and 20¢ per hour for operators and all other employees upon successful completion of each modular training program and utilization of skills acquired as a result of this training. There will be two training modules for maintenance employees and one module for operations and all other employees." Furthermore, the employer and unions agreed to meet to discuss a module-based training program that will enhance the existing skills of employees. The employer will also design and introduce new training programs to facilitate the implementation and evolution of flexible work practices.

The following two examples highlight provisions that offer certain employees the opportunity to acquire new skills through cross-training and job rotation training.

Canada Safeway Limited *and the* **United Food and Commercial Workers Union, Local 2000 (1997–2003)** "The Employer shall make cross-training in Deli, Seafood and Meat Wrapping available by seniority to all qualified clerks where hours are (or become) available. The cross-training program shall be designed and implemented so that all employees are given equal opportunity to be cross-trained."

British Columbia Hydro and Power Authority *and the* **Office and Professional Employees' International Union, Local 378 (1997–2002)** "Selection for job rotation training will be made only from those employees whose job performance and potential warrant it. It is intended that job rotation will provide selected employees with wider experience and knowledge, to the joint benefit of the individual and the Employer. . . . The selection of employees for job rotation will be the responsibility of Division Managers, but employees may apply to be considered for this training. However, employees are not obligated to accept invitations to take part in job rotation."

Finally, many universities grant their teaching staff educational leaves of absence to allow them to train for another discipline, thereby increasing their professional flexibility.

University of Saskatchewan *and the* **University of Saskatchewan Faculty Association (1998–2001)** "Educational leave is intended to assist employees in completing post-graduate work, or to undertake courses of study for the purpose of enhancing their ability to perform their duties, increasing their professional flexibility, or allowing them to be considered for alternative positions in the University."

Board of Governors of Dalhousie College *and the* **Dalhousie Faculty Association (1998–2001)** "With the agreement of the Department or other similar units affected, and the Board, a Member may undertake retraining for new duties. When such retraining involves a period of leave, the Member's salary and benefits shall continue and the cost of retraining shall not be the responsibility of the Member. The Member shall carry his/her rank, tenure status and years of service toward sabbatical or special leave during and after the period of retraining."

3. Educational Leave Provisions

Various terms are used when referring to educational leave in collective agreements: career development leave, professional development leave, skills development leave, staff development leave, personal professional development leave, professional improvement leave and educational improvement leave.

Educational Leave Provisions

In January 1998, **job-related educational leave** provisions, either paid or unpaid, were the most frequently cited, that is, in 33.5 per cent of major Canadian collective agreements covering 48.5 per cent of employees (1,089,960), while **general educational leave** provisions were identified in 25.2 per cent of agreements covering 33.5 per cent of employees (753,616) and **sabbatical leave** provisions in 6.5 per cent of agreements covering 6.9 per cent of employees (155,557).

Regardless of the term used, we can group educational leave for training and education purposes under three broad headings: job-related educational leave, general education leave and sabbatical leave. This section focuses on these three types of leave.

Educational leave and sabbaticals give employees the opportunity to take time off to pursue their studies—usually in a recognized educational institution—or undertake activities linked to learning and "personal development." The duration of such leaves, their effects on benefits and seniority, and whether they are remunerated or not vary according to each agreement.

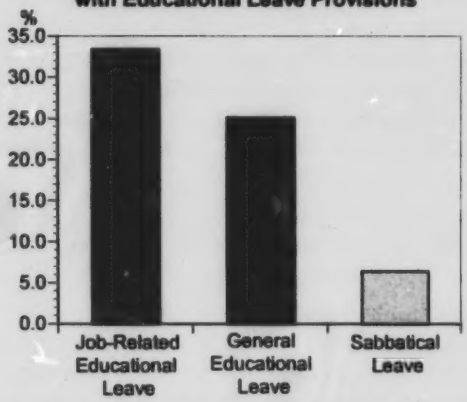
Generally speaking, educational leave provisions address the following issues: requirements (e.g. formal written request, management approval, minimum number of years of service, proof of attendance, successful completion), timing (i.e. during or outside normal scheduled hours), length of leave and the impact on seniority rights (i.e. accrued or non-accrued) and other benefits (e.g. sick leave credits). Finally, job-related educational leave provisions also address the issue of responsibility, for both employers and employees.

The question of remuneration is very important. Some agreements grant leave with full or partial pay, whereas others grant leave without pay. Also, some agreements allow for employees to take advantage of a deferred salary plan.

Job-Related Educational Leave

This type of leave is granted to an employee where, in the opinion of the employer, it is likely to be of assistance to the individual in furthering his/her career development and to the organization in achieving its goals. This could include a course given by the employer or a course offered by a recognized educational institution. It also includes work-related meetings, workshops, seminars, conferences, conventions and study sessions as well as research and scholarly work.

Percentage of Major Collective Agreements with Educational Leave Provisions



Source: Human Resources Development Canada, Workplace Information Directorate, CAIRS Database (January 1998).

Here are a few examples of job-related educational leave provisions with pay:

Emergency Health Services Commission *and the* **Ambulance Paramedics of British Columbia, Canadian Union of Public Employees, Local 873 (1996–2000)** "An employee shall be granted leave with pay to take courses at the request of the Employer."

Vancouver International Airport Authority *and the* **Public Service Alliance of Canada (2001–2004)** "The Employer shall grant education leave with pay during an employee's normally scheduled hours for the purpose of taking any courses, seminars or training required by the Employer. The Employer...will pay course registration fees and tuition."

Regional Health Authorities of Prince Island *and the* **Prince Edward Island Nurses' Union (1999–2002)** "Employees authorized by the Employer to attend professional or technical provincial meetings and workshops shall be granted leave of absence with pay."

The following example indicates the conditions typically associated with leave of absence with pay:

Ottawa-Carleton District School Board *and the* **Ontario Secondary School Teachers' Federation (2000–2001)** "Leaves of absence with pay provided for in this Article will be granted subject to the following conditions: a) Continuation of salary and benefits entitlements; b) Without deduction of sick leave credits; c) Without interruption of seniority or experience credit; d) A teacher on any form of leave is not eligible for any other form of leave until the expiry of the initial leave period; e) Upon request by the Superintendent or designate, acceptable evidence verifying the need for the absence will be provided by the teacher."

Moreover, some agreements provide for a paid educational leave for technological change.

Hydro-Québec *and the* **Canadian Union of Public Employees (1999–2003)** [translation] "Management agrees to grant paid leave for any work required by the application of this clause [technical or technological change], until a cumulative bank of 125 person-days per year is exhausted."

Vidéotron Ltée *and the* **Canadian Union of Public Employees, Local 2815 (1999–2001)** [translation] "When technological change calls for new qualifications or qualifications exceeding those already possessed by the employees assigned on the basis of current work methods, the employees may, at the Company's expense, take advantage of a reasonable period in which to develop or acquire qualifications called for by the new work methods. . . . There shall be no reduction in salary rate for these employees while they are being retrained or when they are reclassified in the new position."

However, not all job-related educational leaves are paid. Some agreements allow for unpaid job-related educational leaves. Although this situation is not ideal, it can nevertheless be beneficial to workers who wish to upgrade their knowledge and skills.

PPG Canada Inc. *and the* **National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (1999–2002)** "An employee with one or more years of seniority may apply in writing for a leave of absence [without pay] for the purpose of attending a recognized primary, secondary or trade school, college or university full time. Such leave will be granted providing that the course of instruction is related to the employee's employment opportunities with the Company. . . . Such leaves of absence will be limited in duration to one (1) year, subject to extension upon application. Seniority will accumulate during such leaves."

Job-related educational leave provisions also include examination and/or convocation leaves, which are not necessarily limited to job-related studies. This type of leave is granted to an employee for the purpose of writing an examination, defending a master's or doctoral thesis or attending a graduation ceremony that takes place during the employee's scheduled hours of work.

British Columbia Ferry Corporation *and the* **British Columbia Ferry and Marine Workers' Union (1998–2003)** "Leave with basic pay to write examinations for a certificate or other qualification may be approved to a maximum of five working days."

Government of New Brunswick *and the* **New Brunswick Public Employees Association (1997–2002)** "Where an employee takes courses or training the Employer may authorize for that employee: (a) leave of absence with pay for the purpose of writing examinations; (b) payment of the expenses of writing examinations; and (c) payment of travelling expenses in accordance with Travel Regulations."

General Educational Leave

General educational leave is granted to employees to enable them to upgrade their knowledge and skills through various learning programs at the request of either the employer or the employee. Such leave is not necessarily directly related to the job. Therefore, most general educational leave provisions are without pay. However, in some cases, they are partially paid, as highlighted by the following example.

Emergency Health Services Commission *and the* **Ambulance Paramedics of British Columbia, Canadian Union of Public Employees, Local 873 (1996–2000)** "An employee shall be granted leave without pay, or leave with partial pay, to take courses in which the employee wishes to enrol."

Many agreements have clauses ensuring that seniority rights continue to accrue during such a leave of absence.

General Motors of Canada Limited *and the* **National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada), Locals 27, 199, 222, 636, 1163 and 1973 (1999–2002)** "...employees with one (1) or more years of seniority who desire to further their education, may make application for a leave of absence for that purpose. One continuous leave of absence for such education will be granted to eligible employees for a period not to exceed twelve (12) months. Additional leaves of absence may be granted at the option of Local Management. Except as otherwise provided...seniority shall accumulate during such leaves of absence."

Other agreement provisions simply guarantee that seniority rights will not be affected one way or the other (i.e. no gain or loss).

Shoppers Drug Mart Store *and the* **United Food and Commercial Workers, Local 1518 (1997–2001)** "Employees with four (4) years or more of continuous service with the Employer shall be entitled to an educational leave of absence for up to one (1) year without gain or loss of seniority as of the time the employee leaves.... Seniority shall be the determining factor in scheduling the leave."

Some agreements go further and, in addition to ensuring seniority rights, provide job protection, albeit for a limited time.

Bristol Aerospace Limited *and the* **National Automobile, Aerospace, Transportation and General Workers of Canada (CAW-Canada), Local 3005 (1999–2002)** "Upon the request of an employee, leave of absence without pay may be granted for educational purposes up to a maximum of three (3) years. No employee shall lose seniority rights during personal leave of absence not exceeding twelve (12) consecutive months, but shall continue to accumulate seniority during such periods. An employee on leave of absence for longer than twelve (12) months shall maintain the seniority held at the time the limit of accumulation is reached, but shall not continue to accumulate further seniority until the employee returns to work. The return to work of an employee after a personal leave of absence in excess of three (3) months shall be conditional upon the existence of a vacant position, in their classification or other work in which the employee is able to do [sic], at the time of their return."

This final example is representative of the conditions typically associated with general educational leaves:

Weyerhaeuser Saskatchewan Ltd. *and the* **Communications, Energy and Paperworkers Union of Canada, Local 1120 (1997–2003)** "Conditions for such leave will be as follows: a) Requests must be submitted at least thirty (30) calendar days in advance of the leave. b) The leave will not exceed twenty-four (24) cumulative months throughout their employment. c) Educational leaves will be limited to one (1) person per crew on a first come, first served basis with mill seniority determining eligibility in the case of simultaneous requests. d) All accumulated time off entitlements must be exhausted prior to the leave period commencing. e) For the first six (6) months of the two (2) year leave, all benefit coverage (exclusive of Weekly Indemnity and Long-Term Disability) will continue. Company, department and job seniority will also continue during this period. f) For any period exceeding the six (6) months referred to above, seniority accumulation and benefit coverage will cease until the employee resumes active employment. Supplementary Health and Dental coverage will be available to the employee at their expense. Life

Insurance coverage will only be made available (at employee expense) for up to twelve (12) months in any block of leave. Credited service for pension purposes will not be granted during this time."

Sabbatical Leave

A sabbatical leave is another type of leave granted to employees in order to allow them to pursue opportunities related to study, research or other work-related interests. A sabbatical leave can be particularly beneficial to employees as a means of remaining competitive in the middle or late stages of their career.

Sabbatical leave provisions are most prevalent in the education, health and social services industries. The vast majority of sabbatical leave provisions (paid, part paid or unpaid) found in major Canadian collective agreements are in these sectors.

The following provision represents a good summary of the intent to grant a sabbatical leave.

York University *and the* **York University Faculty Association (1999–2001)** "The purpose of sabbatical leave is to serve the objectives of the University by affording employees a regular opportunity to maintain and enhance their academic and professional competence free from normal on-campus teaching/professional and service obligations. Sabbatical leave is intended to promote high levels of scholarly and professional activity by employees through sustained periods of concentrated study, contemplation, and creative work, and through the extension of the range of contacts of employees to other people, places, experiences, and ideas. . . . Tenured faculty members in the Professional or Alternate Stream are entitled to one (1) full year of sabbatical leave after six (6) years of service. . . . Normally a faculty member will take sabbatical leave every seventh (7) year."

The following examples describe the general conditions of admissibility and length of leave, as well as the level of remuneration.

Université Laval *and the* ***Syndicat des professeurs et professeures de l'Université Laval*** **(1999–2004)** Once they have acquired at least six years' seniority, [translation] "professors shall receive remuneration equivalent to 90 per cent of their salary during their sabbatical year. However, their contribution and that of the Employer to the group benefits package and pension plan shall continue to be based on an amount corresponding to 100 per cent of their salary."

University of New Brunswick *and the* **Association of University of New Brunswick Teachers (1998–2001)** "Tenured faculty members shall be eligible, upon application to the University of New Brunswick, for consideration for sabbatical leave as follows: a) after six years of full-time service at the University of New Brunswick, one year's leave at 85 per cent of regular salary, or b) after six years of full-time service at the University of New Brunswick, six months' leave at 100 per cent of regular salary, or c) after three years of full-time service at the University of New Brunswick, six months' leave at 85 percent of regular salary."

Halton Catholic District School Board *and the* **Ontario English Catholic Teachers' Association (2000–2002)** "In order to qualify for Sabbatical Leave, a teacher must be employed for seven (7) years by the Halton Catholic District School Board and must have accumulated at least eighty (80) days of cumulative sick leave credit. . . . Payment of salary while on Sabbatical Leave shall be a minimum of 70 per cent of the salary the teacher would receive if teaching that year for the Board. Additional salary allowances of 10 per cent for each subsequent year of experience to a maximum of 10 years or 100 per cent of salary will be paid to the teacher granted leave."

One of the rare examples from a sector other than education, health and social services is:

Government of New Brunswick *and the* **New Brunswick Public Employees Association (1997–2002)** "An employee may be granted sabbatical leave for varying periods of up to one year for approved study or travel, or industrial attachment where direct application to the employee's area of responsibility exists. Employees covered by this Agreement shall become eligible for sabbatical leave upon completion of seven (7) years of service with the department or agencies covered by this Agreement, and shall receive allowances in lieu of salary of up to seventy-five percent (75%) of the employee's basic salary."

4. Other Training and Education-Related Provisions

Training and Educational Funding

With the exception of companies located in Quebec, Canadian companies are not required by law to invest in training. The Province of Quebec is the only Canadian jurisdiction that requires employers by law to finance training activities.

However, companies and unions have negotiated many different types of funding provisions in order to finance training and educational opportunities. The provisions that exist in major collective agreements are numerous and varied.

Agreements containing such provisions usually require employers to either wholly or partially finance some type of general training and education fund. Such financing can either be a fixed amount (e.g. $25,000 per year) or an amount proportionate to the number of hours worked by union members (e.g. 1¢ per hour). These funds can be administered by the employer, by the union or jointly. These provisions can be of great use to all employees, including older employees, wishing to upgrade their skills, enhance their basic literacy and numeracy skills or simply further their own professional development in whichever way they choose.

The following are examples of recently negotiated training and educational funding provisions:

General Motors of Canada Ltd. *and the* **National Automobile, Aerospace and General Workers Union of Canada (CAW-Canada) (1999–2002)** This agreement establishes a Training Fund of $1 million to support the development of training programs. In the second and third year of the agreement, the company will finance the fund by a total of 16 hours per worker, and workers will be entitled to the equivalent of eight hours of training during working hours. The training programs will be determined by the Training Review Committee, working in conjunction with local training committees. Other training and education-related funds to which the employer contributes include 5¢ per hour worked to a union educational leave plan called the Union Education Fund, and 3¢ per hour worked to the Health and Safety Training Fund.

An Act to Foster the Development of Manpower Training (Quebec)*

The purpose of the Act to Foster the Development of Manpower Training, which was passed by Quebec's National Assembly in 1995, is to improve the qualifications, skills, and performance of workers through continuing education.

Under this Act, all employers whose total payroll for a calendar year exceeds $250,000 are required to allot an amount representing at least 1 per cent of their payroll to provide training to their employees, including apprentices. This amount may also be used to the benefit of trainees or teachers undergoing refresher training in the workplace. Eligible training expenditures include, but are not limited to, training support (e.g. by directly paying for or by reimbursing training-related costs), the provision of personnel, premises or equipment, the granting of paid education leave, or contributions to a collecting body or to the construction industry training fund. Moreover, all expenditures incurred in relation to the implementation of a training plan that is the subject of an agreement between an employer and a certified union are eligible training expenditures. Such an agreement may or may not be part of a collective agreement.

An employer whose total eligible training expenditures are less than the minimum required amount must pay into the Fonds national de formation de la main-d'oeuvre a contribution equal to the difference between these two amounts (i.e. an amount equal to 1 per cent of payroll minus training expenditures for a year). However, an employer whose eligible training expenditures exceed the minimum amount required by the Act can carry forward the excess amount to the following year.

* Prepared by Labour Law Analysis, Labour Program, Human Resources Development Canada. This information is based on legislation in force on February 1, 2002.

City of Winnipeg *and the* **Canadian Union of Public Employees, Local 500 (1999–2002)** The agreement between the parties provides for the establishment of a Human Resources Development Fund of $3 million for the purposes of education, training and staff development. A joint committee will discuss and implement decisions with respect to education, training and staff development requirements associated with the deployment of Canadian Union of Public Employees members affected by organizational restructuring and any new or expanded training programs that are in the interest of both the employees and the City as well as methods of selecting candidates for such training.

Legacy Hotels Corporation *and the* **Hotel Employees and Restaurant Employees International Union, Local 75 (1999–2002)** This agreement provides for a Life-Long Learning Fund to which the employer will contribute 1¢ per hour worked per employee covered by the bargaining unit. Inasmuch as the company and the union recognize that education is a continuing process and have a joint belief in providing support to upgrade existing employees, the fund will be used exclusively to upgrade employees' work-related skills or knowledge and to assist employees in the solving of day-to-day challenges in the workplace.

Westfair Foods Ltd. *and the* **United Food and Commercial Worker's Union, Local 777 (1997–2003)** The Employer has agreed to contribute 10¢ per hour for every hour worked by members of the bargaining unit to an Education and Training Fund.

Joint Committees

Formal participatory structures in the workplace that acknowledge employees and their representatives as partners of management in problem solving and decision making have been recognized as conducive to a cooperative work environment and to the exchange and dissemination of information. These, in turn, are conditions favourable to productivity improvements.

Unions are much likelier to support productivity improvement measures—such as technological change and workplace reorganization—when they are consulted and directly involved in the design and implementation of such measures. At the very least, unions expect to be informed through advance notice of changes.

Joint committees (also termed union-management, labour-management, joint steering or senior-level committees) are the typical mechanisms—outside collective bargaining—by which unions and management can share information and jointly participate in decisions that affect workplace changes and employer-employee relations generally.

Some committees serve mainly to convey information (usually from management to the union) and to discuss issues on a purely consultative basis. However, some provisions in collective agreements provide for joint committees to study issues and to make formal recommendations to management.

Issues that can be discussed by a joint committee are often open ended—for example, "issues of mutual interest"—but may be limited to issues that are not dealt with under the grievance procedure.

In some cases, collective agreements specifically indicate particular issues—many of which are directly related to productivity—to be dealt with by joint committees. With regard to training, retraining and educational leaves, these issues may include training programs, apprenticeship programs, career development, professional development, career planning and development, education, educational leave, sabbatical leave, and technological change.

Joint committees operate within terms of reference that may include operating and decision-making procedures.

Conclusion

In this article, we have highlighted provisions in major collective agreements in Canada pertaining to training, retraining and educational leaves and examined how they relate to productivity improvement. Although studies have demonstrated a link between training and labour productivity, more research is needed to determine the actual take-up rate of training programs and to explain the role of workplace practices related to training, retraining and educational leaves in productivity differences amongst firms.

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Coming in the Next Issue!

More details from the 2000 HRDC Survey on Innovation and Change in Labour Organizations in Canada will be reported.

CONTRACTING-OUT PROVISIONS IN CANADIAN COLLECTIVE AGREEMENTS—A MOVING TARGET

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Introduction

Contracting-out goes to the very heart of labour relations since it provokes "Hot Button" issues such as management rights, the boundaries of the bargaining unit and union security. The tension between flexibility and job security epitomizes many current labour-management conflicts. Contracting-out can be defined as an arrangement entered into by an employer with an outside firm whereby production or service work, which was or could have been done using the organization's own employees and equipment, is performed by the outside firm (Young, 1964). Contracting-out and outsourcing are used synonymously in this paper. The term privatization, on the other hand, is often used to describe the contracting-out of public services to private firms, but privatization can also encompass asset sales, internal market arrangements, private–public partnerships, and public market liberalization (ILO, 2001a).

Contracting-out as experienced in the unionized sector has not been the subject of recent studies. Nevertheless, there is evidence that, for different reasons, management and organized labour are more and more concerned about outsourcing, especially in the context of the restructuring of the economy over the past decades. Given these concerns, one would expect the issue to be reflected in collective agreements. The main goal of this paper is to describe trends in contracting-out provisions in different sectors of the Canadian economy in the last two decades using primarily unpublished data on Canadian collective agreements. Before discussing these trends, we will examine the macro and micro factors that may have an impact on contracting-out and on related provisions in labour contracts.

Macro Influences

Many factors can be identified as having set the stage in organizations for the introduction of, or the greater reliance upon, outsourcing. Since pressures in the private and the public sector are different, they will be discussed separately. A common element in both sectors is that subcontracting has played different roles in the restructuring processes at the industry and firm-specific level (Rees and Fielder, 1992). Organizational restructuring has had a direct impact on the labour market. For many, job security is no longer the norm. The legal context is another factor likely to favour or discourage the development of contracting-out. All these factors have influenced decision making and the development of contracting-out and related provisions.

Pressures in the Private Sector

In North America, organizations and employees have been subjected to numerous changes in the past 20 years. Among the main events driving these changes were the recessions of 1980–81 and 1991–92, trade agreements (Canada-U.S. Free Trade Agreement in 1989 and North American Free Trade Agreement in 1991), technological change and deregulation. These have created the need for large-scale restructuring of corporations, which have chosen to cut costs, differentiate their product, or both.

In terms of human resources, these business strategies have translated into two strategic options: the "high road" and the "low road" (Verma and Chaykowski, 1999). The former is characterized by practices eliciting a high level of involvement among workers (work teams, joint

— We would like to thank Tania Plante, Information and Client Services, Workplace Information Directorate, Human Resources Development Canada, for providing the necessary data.

problem-solving, training, job rotation, etc.), while such practices as layoffs, temporary or contingent work and outsourcing characterize the latter (Osterman, 1999). These "roads" can nevertheless coexist in the same enterprise, as one can see using the "core-periphery" perspective: core employees will be covered by (or subjected to) "high-involvement work practices" and will be surrounded by peripheral employees covered by (or subjected to) "low-involvement work practices" (Levin, 2001). In practice, contracting-out can be part of either a "low-road" strategy, oriented toward cost reduction, or a "high road" strategy, aiming for organizational flexibility.

Because of its flexibility and cost reduction promises, contracting-out seems appealing to many employers in turbulent times. In the United States, data from the National Establishments Survey, reported by Osterman (1999), show that, between 1992 and 1997, 38.5 per cent of establishments surveyed (covering 48.2 per cent of workers) said they had outsourced activities or products that had previously been done in-house. In Canada, in a recent survey sponsored by the Canadian Federation of Independent Business conducted in manufacturing, transportation, and part of the services industry (Halley, 2000), 66.9 per cent of the enterprises surveyed said they had given contracts to subcontractors, and 64.2 per cent said they had acted as a subcontractor for another company. Only 19.6 per cent said they had never contracted out or acted as a contractor. These numbers support the view that outsourcing has become a mainstream business practice in many firms.

Pressures in the Public Sector

Just as the private sector has been under pressure for change in recent decades, the public sector has been under a variety of pressures for change in the 1990s (Belman, Gunderson and Hyatt, 1996). An entirely new public sector context, characterized by deficit pressures, new management techniques and anti-big government sentiment (Warrian, 1996), has seen government employers in Canada adopt both "high-road" and "low-road" strategies. However, with the limited exception of some innovations at the local workplace level (Verma and Lonti, 2001) and some co-operation experiments, Canadian governments have primarily relied on hard bargaining and legislative action ("low-road" strategies) to achieve public sector restructuring. This has had a significant effect on public sector employment: a 15 per cent decrease from 1991 to 1997 (Swimmer, 2001).

In many countries over the last decade, contracting-out, often associated in the public sector with privatization, has been seen as an important tool in responding to criticisms of the efficiency and effectiveness of public services (ILO, 2001a). Many experiments with outsourcing and privatization took place in the civil service and in health care and municipal services, but the results were not always those expected (Sclar, 2000; Walsh, 1996). According to Warrian (1996: 76) contracting-out is only a part of the new model emerging in the public sector: "There will be contracting in, out and between as various boundaries of the organization change."

The most important factor distinguishing collective bargaining in the public sector from the private sector is the role of politics (Swimmer and Thompson, 1995). Privatization and contracting-out are generally on the political agenda when right-of-centre parties govern (Thompson, 1995). The Harris government in Ontario is typical. It amended the *Crown Employees Collective Bargaining Act* in 1995 by removing the successor rights provisions in order to facilitate privatization and downsizing (Rose, 2001).

Contracting-out has always been an important issue at the municipal level as well (Graham, 1995), but it took on added importance with annexation and amalgamation. Everything is on the table, from the type of services municipalities provide to the need to harmonize collective agreements. The government of Margaret Thatcher in the United Kingdom required that local authorities pursue contracting-out. The Ontario government has recently required municipalities to consider it. Additional economic pressure has come to bear on municipalities when they have insufficient financial resources to fulfil some of the newly mandated services dictated by provincial governments without corresponding transfers of funds. This type of devolution has frequently forced local authorities to try to reduce labour costs and balance their municipal budgets by contracting-out services (ILO, 2001b).

Labour Market

Economic restructuring of firms and governments had direct effects on the labour market. According to Osterman (1999), layoffs, the erosion of job security, the rise of contingent work, wage inequality and the decline of unions have engendered a less secure labour market in the United States.

Comparable developments have taken place in Canada. For example, part-time and contingent work are increasing, amounting to about one-third of employment in Canada (Lispett and Reesor, 1997). But unlike the United States situation, a significant share of the Canadian workforce remains unionized: around 30 per cent (Mainville and Olineck, 1999). The prevailing climate of insecurity in the labour market has made unions very concerned about threats to job security represented by outsourcing.

Legal Context

In every jurisdiction in Canada, contracting-out is permitted unless there is a collective agreement prohibiting it (Sack and Poskanzer, 2001; Corry, 2000). For instance, contracting-out is referred to in the *Nova Scotia Trade Union Act* (s. 31.2), which states that the labour board can conclude that a transfer of the business or part of it has taken place if the employer uses contracting-out to avoid collective bargaining. Recent changes to the *Labour Code* in Quebec similarly enable the labour board to determine that the new employer remains bound by the collective agreement until the date of its expiry (instead of one year) if it considers that the transfer has been made for the purpose of dividing a bargaining unit or interfering with the power of representation of an association of employees (section not yet proclaimed into force). Under Saskatchewan's *Trade Union Act* (s. 37.1), the sale of a business will be deemed to have occurred in a transaction where employees had provided the service on premises that were their principal place of work and where their employer ceased to provide that service at the site and where another employer subsequently provides similar services at that site. A similar provision was enacted in 1992 in Ontario's *Labour Relations Act* but was repealed in 1995.

Contracting-out is closely linked to the issue of successor rights. Federal and provincial laws preserve the collective bargaining rights of the union in cases of the sale or transfer of all or part of a business. The public policy purpose is to bind the succeeding employer to the collective bargaining regime that was already in place (Adams, 2001). Contracting-out generally, but not automatically, triggers successor rights provisions. Nevertheless, contracting-out has often been identified as successorship in Quebec because of a broader scope of the provision in the law or because of the general tests applied by its labour relations tribunals (Adams, 2001; Corry, 2000).

Two recent Supreme Court decisions,[1] however, may induce labour boards across the country to review the principles they apply in determining whether or not contracting-out falls under successor rights legislation. Because of the statutory protection regarding successor rights (which is a public order provision), most collective agreements do not contain provisions binding a successor to the current bargaining unit certification and to the collective agreement (Corry, 2000). Recent modifications to Quebec's Labour Code will enable the parties to opt out in case of a partial transfer. In this case, a new employer is not bound by the certification or the collective agreement where a special agreement on the transfer contains a clause to the effect that the parties elect not to apply to the Commission to request the application of section 45 about successor rights (section not yet proclaimed into force).

However, in spite of the rather stable and non-interventionist legal context, employers' associations have continued to lobby for the deregulation of contracting-out. For example, both the Canadian Federation of Independent Business (Quebec chapter) and the Conseil du Patronat du Québec are lobbying strongly for the reduction of the stringent contracting-out rules, which are seen as the main impediment to economic growth in Quebec (Brown, 2001; Millan, 2001). L' Union des municipalités du Québec has made several appeals to the Quebec government in order to exclude completely the municipal sector from the application of the successor rights provision (Mireault, Bernier and Bessette, 1997). The Association of Municipalities of Ontario is seeking a similar exemption.

To conclude this brief description of the legal context, the law does not impede subcontracting except in relatively well defined circumstances (e.g. an anti-union animus or the sale of a business) that are interpreted by labour relations tribunals in a strict sense or in a liberal sense depending on the jurisdiction. For the most part, direct constraints on contracting-out for a unionized employer are not contained in the law, but in the

[1] Sept-Iles (City) v. CUPE, Local 2589 and Ivanhoe Inc. v. UFCW, Local 500. Both were released in July 2001.

collective agreement. Parties are left with the freedom to bargain these issues on the terms they themselves establish.

Micro Influences

The macro factors constitute the general background that may influence the parties' decision to consider contracting-out matters in their agreements. In the event, it is the employers' and the unions' own motives and efforts to reconcile their interests that ultimately determine the existence and the nature of contracting-out provisions in their collective agreements. The motivations of the parties, however, are not one-dimensional and need to be considered from a number of angles.

Employer Motives

Outsourcing is primarily motivated by the employer's search for increased flexibility (Benson and Ieronimo, 1996; Harrison and Kelley, 1993) to cope with a turbulent and competitive environment (Deavers, 1997). The "core–periphery" model, which for many observers represents the ultimate flexible organization, consists of a core group of highly paid, skilled workers supported by outside contractors and temporary and part-time help (Sharpe 1997). Outsourcing peripheral activities allows the organization to concentrate on its core competencies (Rees and Fielder, 1992). The flexibility motive encompasses a number of managerial concerns, which are well summarized in a European study on outsourcing in motor manufacturing: "The driving force for outsourcing is the search for maximum specialization in high added value activities, with the lowest risk at the lowest cost" (Caprile and Llorens, 2000). This core employer motivation, so, may itself be directed at several different outcomes.

Holmes (1986) notes three types of subcontracting: capacity subcontracting, specialization subcontracting and "cost-cutting" subcontracting. (1) The first type refers to the situation of an organization that does not have the production capacity to respond to the demand for its products or services in a timely fashion. (2) Specialization subcontracting occurs when special skills or equipment are not available "in house" for some reason (e.g. a new need, irregular demand or non-critical expertise for core activities) and the employer gets this expertise from outside. (3) The last type of subcontracting, "cost-cutting," is when other firms can do the same work more cheaply, either because they are more efficient or because their labour costs are low.[2] In summary, employers will contract out in order to meet peak workloads, to acquire specialized services or to save money (Abraham and Taylor, 1996).

There is no doubt that costs are an important factor in contracting-out behaviour. According to economic theory, outsourcing will take place only when the costs of the "in-house" production are greater than the sum of the costs of the outside service contractor plus the transaction costs—the costs incurred by a contractual arrangement (Sclar, 2000). The search for cost savings is, wrongly or rightly, typically seen as the most important outcome pursued by outsourcing firms (Deavers, 1997; Sharpe, 1997).

In unionized firms, labour costs, mainly wages and benefits, are presumably higher than in the contractor firms (Rees and Fielder, 1992). Other specific goals for outsourcing in the unionized sector include the search for quality improvements, greater reliability of delivery and quality (Perry, 1997) and union avoidance (Harrison and Kelley, 1993).

By raising wages and benefits and upholding restrictive work rules, each of which has impacts on labour costs and flexibility, the mere presence of a union is an incentive for an employer to outsource (Perry, 1997). One would expect unionized employers to engage in subcontracting more than non-unionized employers, who are presumably more able to control their labour costs and maintain a more flexible workforce. But even in the absence of a union, high-wage firms may find it attractive to contract out at least some peripheral activities (Abraham and Taylor, 1996). Contrary to the conventional wisdom, the exact direction of the union effect on contracting-out is not necessarily self-evident.

Public sector employers seem to share similar general motives with employers in the private sector: flexibility, costs, etc. As a part of an adversarial bargaining strategy, the threat of contracting-out can be used as a leverage to obtain employee concessions, as in the

[2] It is assumed that contractors have lower costs than the firm, at least for some levels of production. Otherwise, it is better for the firm to contract out all its activities and cease to exist (Abraham and Taylor 1996).

private sector (Giles and Starkman, 2001). Contracting-out, privatization and discontinuation of programs represent the public sector equivalent of shutting the plant and moving capital elsewhere (Swimmer, 2001). Warrian (1996: 112) also points out the "usefulness" of contracting-out at the bargaining table: "...while there is little evidence that contracting-out works, there is abundant evidence that the threat of *contracting-out works*, if it moves the parties to jointly seek new arrangements to reduce costs and improve services *within* the public sector."

In the municipal sector, some services are better candidates for outsourcing than others (Whelan, 1999): new services, services that have easy-to-specify outputs and services requiring specialized skills or equipment. Hirsch and Osborne (2000) observe that, in spite of its alleged virtues, contracting-out of municipal services rarely occurs. There are three reasons for this: the need for accountability, the lack of efficiency gains, and the opposition of pressure groups (especially unions).

Union Motives

Unions have vigorously fought contracting-out because of the threat that it represents to the jobs and the working conditions of their members and to their own existence (Young, 1964). Sack and Posanzer (2001: 15–25) state that, "From the union's point of view, contracting-out reduces employment opportunities and job security, weakens the union's bargaining position, depresses wages and benefits in the industry, creates a fragmented labour force, and seriously undermines the effectiveness of the strike weapon."

Unions primarily seek to restrain contracting-out through contractual regulation, with the objective of securing the jobs of their members. Contractual job security, through contracting-out provisions, is often seen as a vital precondition for achieving employee involvement, a high-performance work environment, and labour-management partnerships (Gray, Myers and Myers, 1999).

One would expect that subcontracting would be less likely to occur if a union is present in the workplace because of these potential restrictions on management contracting-out behaviour (Harrison and Kelley, 1993) However, as discussed below, analysis of contract data indicates that contractual provisions generally do not prohibit outsourcing. More often they qualify it or subject it to a limited procedure.

Collective Agreements and Contracting-Out Provisions

Ultimately, it is the parties sitting at the bargaining table that have the greatest influence on contracting-out in unionized settings. In practice, there is a wide range of provisions the parties can agree to, and a comprehensive framework is needed to study these provisions in depth.

Contracting-out can be totally permitted or totally prohibited: the two extremes of the continuum. Depending on your point of view, intermediary provisions generally permit or limit contracting-out under certain conditions. For example, Sack and Posanzer (2001) differentiate "prohibition with exceptions" provisions from "restriction on contracting-out" provisions. These conditions generally deal with one or several of the following five factors: (1) *What* type of work can or cannot be contracted out. (2) *When* contracting-out can or cannot take place. (3) *Who* can or cannot be the contractor. (4) *How* a contract can or cannot be contracted out. (5) What are the *impacts* of contracting-out.

The first question relates to the nature of the work: for example, construction, major maintenance, production work, work currently or historically performed by inside employees. The second question relates to the circumstances under which contracting-out can be allowed: emergencies; coping with peak or urgent production; personnel, skills, facilities or equipment not available at the site; installation, maintenance and repair; guarantee-related work done by the equipment vendor or supplier, etc. Another issue is to whom the employer wants to contract out the work. In some agreements, the work can only be subcontracted to a contractor who employs members of the same union or is already covered by a collective agreement,[3] or to a contractor providing the same level of wages and benefits to its employees. The fourth issue relates to procedures that must be followed when an employer wants to contract out. Advance union notification, consultation or approval is required in certain cases. Less frequently, a bipartite committee

[3] A similar provision, observed especially in the construction industry, where employees can refuse to work with non-unionized workers, is called a non-affiliation clause.

may be formed to examine alternatives to a contract being given out, or to review and perhaps recapture already contracted-out work (Sack and Poskanzer, 2001). Finally, as noted above, the effects of contracting-out on the bargaining unit members is a crucial union concern. Often, contracting-out will be permitted only if it does not lead to employee layoffs, changes to employment conditions, loss of hours or pay, non-recall of a laid-off employees, etc.

Not all collective agreements with contracting-out provisions deal with all of these issues. Only a few agreements can be classified under one of the two extremes of the continuum (contracting-out entirely permitted or prohibited). Since combinations of many non-mutually exclusive conditions addressing different issues may be found in the same collective agreement, the classification of these provisions is not an easy task.

The review of these macro and micro factors affecting contracting-out and related provisions in labour contracts leads to three hypotheses. First, the rising concerns of both parties related to contracting-out in the last few years should have meant a rise in contracting-out provisions in collective agreements. Second, this growth of contracting-out provisions should have been more important in the public sector, since the pressures on the parties there have been greater recently than in the private sector. Finally, as there are multiple motives for outsourcing and different sector contexts, we should expect a very definite pattern in provisions: mixed motives should produce mixed provisions responding to mixed situations. In order to test our three hypotheses, historical trends in contracting-out provisions need to be explored in terms of both the presence of provisions and their nature. Only secondary data from a public source can provide this information.

Data and Methodology

The data utilized for this study were compiled from the library of collective agreements maintained by the Workplace Information Directorate of Human Resources Development Canada. The Directorate tracks and analyzes thousands of Canadian collective agreements in all sectors. It is important to note that changes have been made recently in the compilation of data. The database used to include all settlements covering 500 or more employees in provincial jurisdictions and 200 or more employees under federal jurisdiction. Data depicting the evolution of contracting-out provisions (cross-sections 1986, 1992 and 1998) are taken from this database.

In January 2000, a major change was made when the Directorate moved from a census survey methodology to a stratified sample survey methodology (Roy, 2000). The move had two impacts on the database. First, the Directorate now tracks a stratified sample of bargaining units with 100–499 employees; second, the settlements covering 500–1999 employees are now sampled instead of being all surveyed (census). There is now more detailed coding of many provisions including contracting-out (Plante, 2001). This more detailed and recent (November 2001) information is included here.

The cross-sectional data (1986, 1992 and 1998) provide interesting but somewhat limited information on the presence of these provisions in collective agreements. In order to complete the dataset, data published in 1985 have been compared with 2001 data. Even though the 1985 and the 2001 data were not collected in exactly the same way, they provide a good supplement to our trend analysis. Breakdowns for four sectors are provided: private sector (private sector, federal sector, and utilities and telephone companies), public sector (provincial and federal administrations), local administration sector, and health and education sector.

Results

Figures 1 and 2 respectively depict the evolution between 1986 and 1998 of the proportion of collective agreements in Canada that contain a contracting-out provision and the evolution of the number of employees covered by these agreements. The general trend during the period is an increasing presence of contracting-out provisions, which went from 37.7 per cent of the agreements to 55.3 per cent. The proportion of employees covered grew also, from 42.9 per cent in 1986 to 62.6 per cent in 1998.

Among sectors, the rise was proportionately the greatest in the public sector. The presence of contracting-out provisions has more than doubled in terms of the proportion of collective agreement provisions (from 23.3 to 54.6 per cent) and has more than tripled in terms of employees' coverage (from 19 to 64 per cent). Both figures show also that the private sector was the sector with proportionately the highest number of contracting-out provisions and the highest number of employees covered (respectively 61.8 per cent and 67.6 per cent in 1998). The

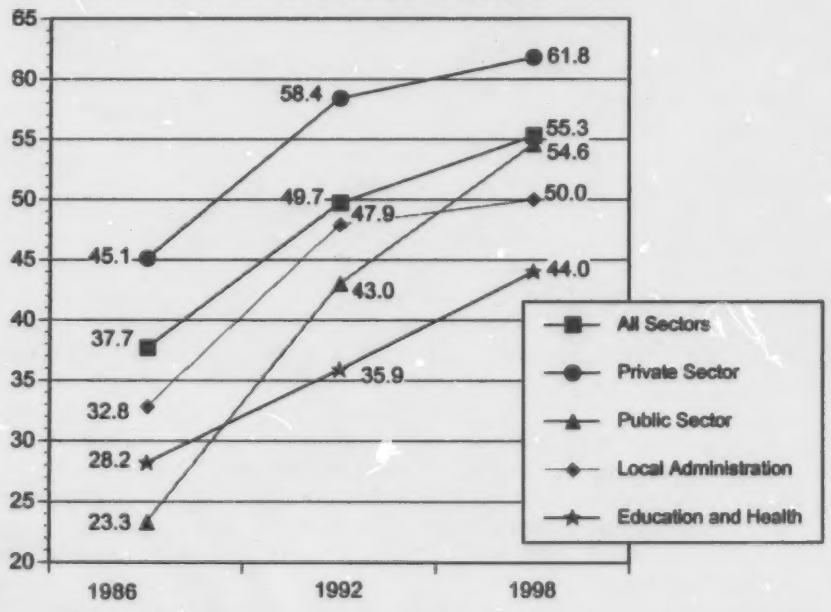
trend in the education and health sector was a steady rise, but not as great a rise as in the public sector. Finally, in the local administration sector, the growth of the influence of contracting-out provisions was greater in the first half of the period (1986-1992)

In figures 3 and 4, 1985 and 2001 numbers related to the types of contracting-out provisions in collective agreements are presented side by side. Even if the comparison is tentative because of the population and coding dissimilarities between these two cross-sections, the numbers throw some light on actual restrictions of contracting-out. First, the most prevalent type of provision in both years is the "no layoff" provision, which specifies that contracting-out is allowed unless it causes layoffs of bargaining unit members. Second, complete prohibition of contracting-out remains a marginal phenomenon. Third, the permitting of contracting-out if the subcontractor is unionized or abides by the agreement seems to have gained influence through the period, but the evidence is limited.

Data for the year 2001 depict interesting trends. It seems that a substantial proportion of the sample requires that the union be notified in advance (almost 40 per cent). This requirement is the second most frequent provision, in terms of proportion of agreements and employees covered, after the "no layoff" provision. Moreover, the tentative general pattern suggested is that large agreements (covering more workers) contain union notification and "no layoff" provisions. Smaller agreements provide that contracting-out is permitted if equipment or qualified employees are not available and other conditions permitting contracting-out are satisfied. Finally, although complete prohibition of contracting-out is rare—fewer than 3.0 per cent of agreements and just over 5.0 per cent of employees covered—it seems to happen in agreements from larger bargaining units.

Figure 1

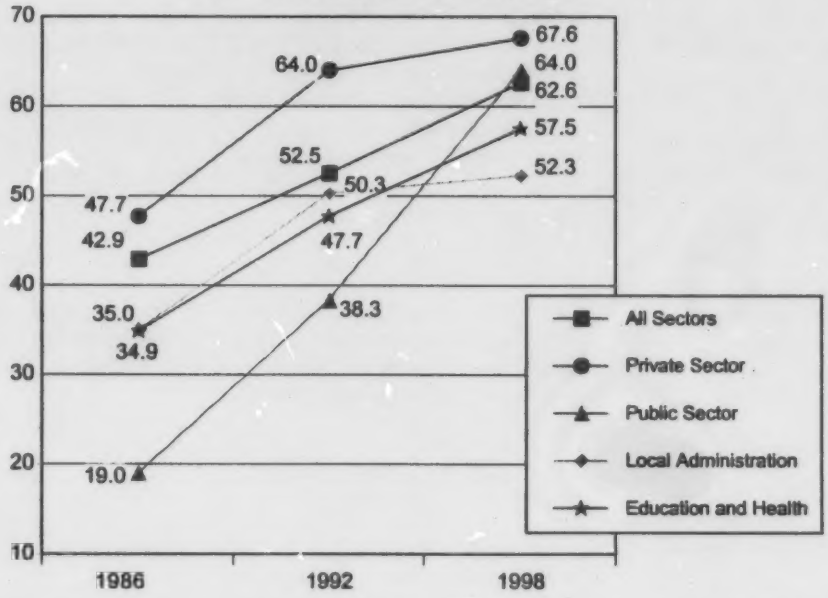
Contracting-Out Provisions in Collective Agreements in Canada (Percentage of Collective Agreements)



Source: Human Resources Development Canada, Workplace Information Directorate, CAIRS Database, September 2001. (N=1,016 in 1986; 1,200 in 1992; and 1,038 in 1998)

Figure 2

Contracting-Out Provisions Collective Agreements in Canada (Percentage of Employees)



Source: Human Resources Development Canada, Workplace Information Directorate, CAIRS Database, September 2001. (N=2,037,700 in 1986; 2,454,940 in 1992; and 2,178,411 in 1998)

Discussion

The trend in the population studied is that there are fewer and fewer collective agreements that do not address contracting-out. This shows that contracting-out was increasingly a concern for labour and management during the period. The economic context prevailing at the time seems to have made employers more interested in outsourcing as a means to restructure the organization, which in turn made unions worried for the jobs of their members.

This trend is particularly obvious in the public sector. The new public sector context that emerged during these years appears to have played a major role in the rise of contracting-out concerns. Contracting-out or privatization was openly or subtly on the agenda of many of the governments across the country as a way to cope with deficit and debt pressures. As a result, even if the union has the greatest interest in the introduction of limitations on contracting-out provisions, the employer in the public sector, as in other sectors, may obtain union concessions on other working conditions when agreeing to introduce this kind of provision.

In other sectors, contracting-out seems to have been an important concern during the period, but not as high profile as in the public sector. In these sectors, the trend toward the inclusion of contracting-out provisions in major collective agreements seems steady but less abrupt, perhaps because the maximum number of collective agreements that could potentially have a contracting-out provision was approached. For example, police officers' and firefighters' collective agreements in the municipal sector and teachers' agreements in the education sector almost never contain a contracting-out provision.

In terms of the public debate on these matters, we are faced with several paradoxes. The sector with the highest level of contracting-out

provisions is the private sector, which is of relatively little concern among commentators. The highest levels of public sector debate are taking place in the health and education sectors, where there is only a moderate presence of contracting-out language.

Contracting-out is a crucial aspect of labour-management relations, and its development and trends warrant close analysis. This is conventional wisdom. However, to understand this obvious fact in the proper context requires consideration of two additional factors.

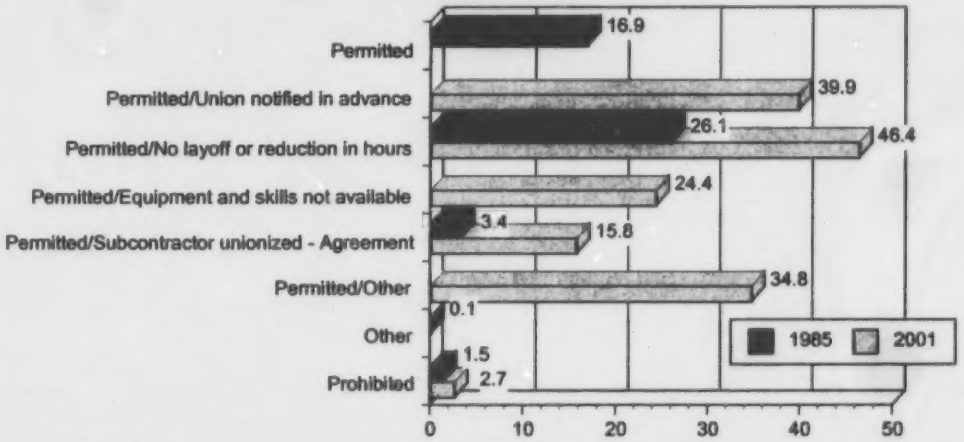
First, contrary to traditional union expectations and rhetoric, employer motivation is not restricted to the one simple factor of cost. There are multiple factors including capacity, technology, a skill shortage and the business environment that management in the new economy—private and public sector alike—may have to take into consideration in making outsourcing decisions. The motivation is not simply anti-union animus.

Second, because the motivation is not simple or one-dimensional, the outcomes in terms of the actual provisions of collective agreements are divergent, as shown by the figures. Not one problem, not one solution. The parties have been negotiating along a continuum of contractual choices, and these pathways will probably deepen and become more divergent in the future.

The diversity of outcomes in the collective agreements database is confirmed in our, albeit preliminary, trend analysis discussed above. The recent changes to the survey methodology will allow researchers to actively monitor these developments in more fine grained and nuanced ways in the future.

Figure 3

Types of Restrictions on Contracting-Out Provisions in Collective Agreements in Canada (Percentage of Collective Agreements)



Note: The classification categories of contracting-out provisions changed between 1985 and 2001. For some categories, data are available only for 1985 or for 2001.

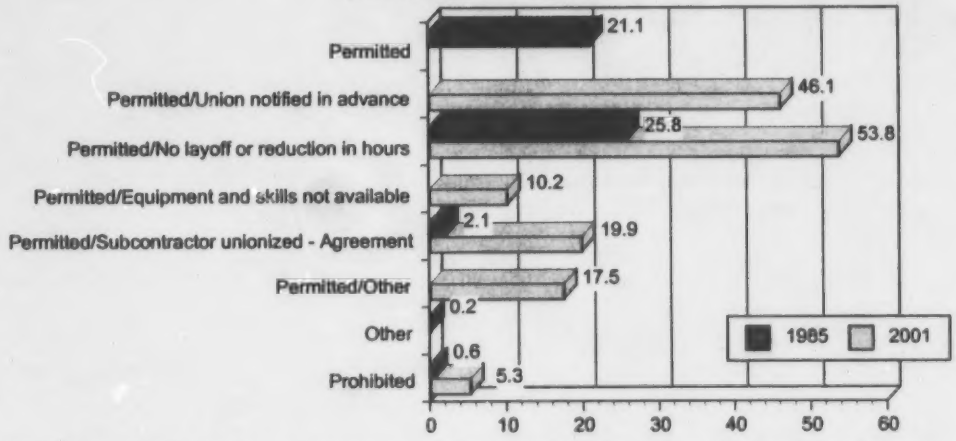
Sources:

1985 data from Labour Canada. July 1985. Provision in Major Collective Agreements cover bargaining units of 500 or more employees in all industries (excluding construction). Items can be summed. (N=960)

2001 data from Human Resources Development Canada, Workplace Information Directorate. CAIRS Database, November 2001. Collective Agreements cover bargaining units of 100 or more employees in all industries. Items cannot be summed because they are not mutually exclusive (excluding the prohibition category). (N=632)

Figure 4

Types of Restrictions on Contracting-Out Provisions in Collective Agreements in Canada (Percentage of Employees)



Note: The classification categories of contracting-out provisions changed between 1985 and 2001. For some categories, data are available only for 1985 or for 2001.

Sources:

1985 data from Labour Canada. July 1985. Provision in Major Collective Agreements cover bargaining units of 500 or more employees in all industries (excluding construction). Items can be summed. (N=2,034,615)

2001 data from Human Resources Development Canada, Workplace Information Directorate. CAIRS Database, November 2001. Collective Agreements cover bargaining units of 100 or more employees in all industries. Items cannot be summed because they are not mutually exclusive (excluding the prohibition category). (N=1,097,469)

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WORKPLACE VIOLENCE—AN ESCALATING CHALLENGE

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Claudette Bradshaw, Minister of Labour
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On November 29-30, 2001, federal Minister of Labour, Claudette Bradshaw, and ministre du Travail du Québec, M. Jean Rochon, co-hosted a tri-national conference on violence in the workplace.

Over 200 delegates attended the conference, which took place in Montréal. Experts from Canada, the United States and Mexico shared knowledge and experiences from their respective nations. The challenge—to shed light on the causes and possible solutions to the escalating violence in North American workplaces.

The conference opened with heartfelt remarks from Minister Bradshaw welcoming the delegates on behalf of the Government of Canada. "Your presence here in Montréal shows the commitment of our three countries to work together to promote improved working conditions and prevent violence in the workplace", explained Minister Bradshaw. "The issue of workplace violence started to raise concern in North America in the 1990's, but despite greater awareness, workplace violence continues to cause injuries and death. That is unacceptable. No one should have to be afraid to come to work."

The conference itself was set up in such a way that after each speaker, delegates had the opportunity to participate in roundtable discussions and could then present their ideas in a mediated discussion.

The keynote speaker, Vittorio Di Martino, author of the ILO Report "Violence at Work," began his presentation by defining workplace violence as not just physical, but psychological as well. He established that whatever the form, violence in the workplace causes fear, stress, and anxiety that are damaging to the employee and ultimately, the organization.

Throughout the discussions and presentations, experts noted the importance of recognizing minor, repeated acts of violence, which individually may seem small, but when grouped together can be seen to have long-lasting negative consequences on the health and safety of the people concerned.

Data suggests that there is not a single accepted description of an act of workplace violence—there is an entire matrix of risk factors—and that makes it difficult to think about preventive strategies, because there is no single answer to the problem. It was noted, however, that much data is still needed to make the case that having a violence prevention program at work is actually a cost saving measure.

It was also noted that the danger varies extensively by industry and occupation, with nurses, janitors, and taxi drivers among those most at risk.

Though it is difficult to quantify, the costs and consequences of workplace violence are very real. Workplace violence hasn't gone away or declined. Rather, it is a serious and growing problem of international concern. Canada, the United States and Mexico will continue to work towards safer and healthier workplaces.

The conference, which received extensive media coverage, was organized by the Canadian, American and Mexican governments under the Cooperative Work Program of the North American Agreement on Labour Cooperation. This agreement, which came into effect on January 1, 1994, provides for collaborative activities on matters of mutual interest. The Labour Cooperation agreement, along with the Agreement on Environmental Cooperation, complement the North American Free Trade Agreement.

Nine Steps for Developing a Workplace Violence Prevention Program

1. Determine the specific risks of workplace violence within the organization by conducting a detailed risk assessment.
2. Write a workplace violence prevention policy that articulates management's commitment to preventing workplace violence and provides examples of unacceptable behaviours and working conditions, as well as consequences and corrective measures.
3. Develop specific measures to eliminate or minimize risks. Using the principles of basic industrial hygiene practice, prevention can be achieved through administrative practices (such as policy development), workplace design (office layout), and specific work practices (cash-handling procedures).
4. Establish procedures for reporting on and investigating violence.
5. Establish an emergency response plan, which clearly and specifically outlines how to respond to a serious incident in progress.
6. Develop the resources and means to provide victim support services, including formal or informal counseling, legal advice or time off.
7. Conduct follow-ups on any incidents that occur.
8. Train and educate employees on workplace violence prevention policy and procedures.
9. Conduct a program review annually, or more often if there is a significant change in the workplace.

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HARD TIMES FOR TRADE UNIONS—NADIR OR NEW ERA?

Roy J. Adams
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Neo-Liberalism Tough on Unions

The neo-liberal era which made its appearance in the early 1980s has produced a drastic reduction in trade union economic and political influence around the globe. Unions have gone through hard times before and so initially, the general presumption was that they would eventually snap back. After two decades of difficulties, however, some scholars are now beginning to wonder if, rather than a low point in the cyclical variation in union fortunes, we have entered an entirely new era for organized labour.

The United States Labour Movement has been Hit Especially Hard

Among the hardest hit of labour movements is that of the United States. Unlike its counterparts elsewhere, its decline had already begun in the 1950s. Membership erosion more or less stabilized in the 1970s but has steadily declined during the past two decades. A recent study by Henry Farber and Bruce Western (2001) suggests that union density in the United States private sector is under 8.0 per cent and at current organizing rates will not reach a steady state until it falls to 2.0 per cent. At that rate, the trade union movement will be little more than a marginal interest group instead of a major social partner.

What are the prospects for trade union revival in the United States? That is the subject of *Rekindling the Movement, Labor's Quest for Relevance in the 21st Century* (Turner, Katz, Hurd and contributors, 2001).[1] In 1995 John Sweeney led an insurgent slate of "New Voice" candidates to victory in a contested election for leadership of the American Federation of Labor Congress of Industrial Organization (AFL-CIO), the only American labour federation of importance. The platform called for massive additional resources and energy for both organizing and political action. The purpose of this book was to examine these union revitalization efforts.

Among the developments considered are assessments of the AFL-CIO's union cities campaign, and a review of the impact of the AFL-CIO Organizing Institute. Working through county or multicounty confederations of local labour unions, the Union Cities Campaign was designed to reinvigorate union organizing. The Confederations were asked to commit to making union organizing a top goal, to mobilize against anti-union employers, to organize community allies, and to persuade city and town councils to pass resolutions supporting union organizing. They were to encourage all unions to increase their membership so that a 3.0 percent growth rate would become a reality in their jurisdiction by the year 2000. Was it a success? Jill Kriesky reports that "more than one-quarter of all active councils have formally engaged in the effort, and many more of all sizes are pursuing some of the steps." Unfortunately, her study did not attempt a systematic and comprehensive examination of the contribution of mobilization and organizing efforts to the achievement of the labor movement's goals but she concludes that such an assessment is imperative.

The object of the AFL-CIO's Organizing Institute, which was founded in 1989 well before the coming to power of the Sweeney regime, was to train a body of competent, energetic, and committed union organizers. Despite its membership decline from the 1950s the organizing response of the American labour movement had been desultory. One union officer interviewed by Amy Foerster suggested that prior to the formation of the Institute, organizing was a dumping ground or a stepping stone to something higher. The Institute was aimed at changing that situation and, according to Foerster, its program has been highly effective. It has expanded from 25 graduates in 1989 to hundreds per year currently and

[1] Other contributors: Kate Bronfenbrenner, Gary Chaison, Dorothy Sue Cobble, Lance Compa, Bill Fletcher, Amy Foerster, Charles Heckscher, Paul Johnston, Tom Juravich, Jill Kriesky, Ruth Milkman, Eric Parker, Joel Rogers, James Shoch, Kent Wong.

that figure does not include the graduates of the separate Union Summer initiative whose goal was to recruit college students and activists into a three-week summer program. If they were included the estimate would inflate to thousands per year. Foerster finds that many Institute graduates, who now have positions throughout the labour movement, are disheartened with the established union bureaucracy. One of them comments, sadly, "I don't think that these institutions want to change."

The book also contains chapters on the possibilities of new union structural formats such as occupational and associational unionism which do not assume workers with stable jobs. Other initiatives that are discussed are new union efforts to organize immigrants, the development of co-ordinated bargaining campaigns, sectoral training and employment projects and the likelihood of union mergers to aid in union renewal. Two chapters look at organized labour's attempts to influence United States trade policy. Other union initiatives such as joining with local organizations to encourage city governments to support the notion of a living wage for all workers; "salting" in which trade union activists accept jobs with non-union firms with the specific intention of organizing from within the negotiation with large multi-plant organizations of "neutrality" pledges with respect to union organizing at unorganized venues; and "card check" recognition in which companies are pressured to "voluntarily" recognize a union that achieves majority support of a coherent group of workers are other recent initiatives that are mentioned but not discussed in detail in this book.

The Immigration Factor

Another view of the course labour needs to take to reverse the decline is provided by Vernon Briggs in *Immigration and American Unionism* (2001). Briggs not only documents in detail the historical opposition by American unions to immigration but also he scolds the AFL-CIO for formally adopting a policy resolution in favour of immigration thereby putting the interests of illegal immigrant workers ahead of the larger interest of American workers in general. In what is bound to be a controversial book, Briggs contends that much of American labour's current difficulties are due to a large influx of poorly educated, poorly skilled, often illegal immigrants since about 1970. He documents an inverse relationship between immigration and union membership and he presents evidence that the income disparities that have grown recently are due in no small part to the recent immigrant influx. His solution is to shrink the low wage worker pool in part by eliminating all extended family admission categories and by prohibiting the admission of workers without high school diplomas. So much for global worker solidarity.

Canada's Situation—Not Much Better

Because our labour movement seems to be in better shape than that of the United States, in recent years Americans have often looked to Canada for guidance on how to get back on track. In international perspective, however, the Canadian situation is not that much better than it is in the United States. Although the Canadian public sector has labour representation levels that are up to the high levels of other major democracies, the unionization rate in the private sector is well below the international norm. It is higher than the United States rate but far below levels prevailing in continental Europe. Moreover, it has been falling steadily for decades and shows no sign of reversing course. During the first half of 2001, according to Statistics Canada fact-sheets (2002), union density in the Canadian private sector fell from 18.7 to 18.1 per cent.

Canadian unions in recent times have been too busy attempting to fend off the initiatives of governments to reduce budgets, to privatise and to undo constraints on business to seriously develop major new strategies for union renewal.

New Democratic Party—Labour Movement Link under Strain

Not only have right-wing governments proven to be difficult to deal with but also organized labour's old ally the New Democratic Party has grown less reliable. As of early 2002, the Party and the union movement were engaged in a process of reconsideration of their long-term relationship. Factions in both the party and the movement were pushing for a clean break with each entity in future acting independently; others, however, were pushing for a renewed party-union link.

Many labour leaders were infuriated by the policies of the Bob Ray government in Ontario in the early 1990s. Others have been dissatisfied with the performance of the federal New Democratic Party. Nevertheless, in the longer run the labour party link has almost certainly been to the union's advantage. In the 1960s, when the

current alliance came into existence, union density in Canada and the United States was about the same. Today the Canadian rate is about double that of the United States and that differential is constant across several industries.

A key reason for the different evolutions is certainly public policy. In more recent years several Canadian governments have passed legislation that labour has seen as contrary to its interests. Over the longer run, however, the course of labour law change has been much more favourable in Canada than it has been in the United States. This development cannot be attributed entirely to the New Democratic Party-labour link. Nevertheless, it is pretty clear that pressure exerted by the Party for innovations such as first contract arbitration, the Rand Formula by statute, strong sanctions applied to law-breaking employers and the prohibition of strikebreakers in some jurisdictions, was of major importance. Labour movements without reliable political partners rarely do as well as those with a strong party link.[2]

European Unions Also Experience Difficulties

Although unions throughout Europe are in better shape than those in North America, they have also been experiencing serious difficulties. European developments are reviewed in *The Brave New World of European Labor, European Trade Unions at the Millennium* (Martin, Ross and contributors, 1999).[3] In their opening essay, editors Andrew Martin and George Ross present a framework of resources that unions need in order to be effective. Unions need to be able to win concessions from employers; they need funds and staff and the ability to mobilize the rank and file; they need to depend on the emotional identification of working people with their cause and they need to have the ability to support or sanction political parties and governments. In all of these respects, according to Martin and Ross, European unions are worse off now than they were two decades ago.

The "maelstrom" that brought about the disintegration of the Golden Age resulted, Martin and Ross argue, in a "double shift." What happened was that decisions most important to unions moved away from national arenas upward toward transnational arenas and downward toward subnational ones, transferring matters from arenas where unions could be effective towards those where they were weaker. Whereas decisions on macroeconomic conditions were increasingly made, not in national policy arenas where neo-corporatist deals could be struck, but in intergovernmental negotiations and global markets beyond most union control, at the same time decisions about wages and working conditions were increasingly made not in multi-employer collective agreements but at a company level where unions' influence could be diluted.

Factors Behind the Reversal of Fortune

Ross and Martin do not think that globalization was a key factor in Europe but "Europeanization" was critical. What really counted, we are told, was the choice of European members to marketize significant economic policy prerogatives and capacities and delegate others to European-level actors like the European Council of Ministers, the European Commission and the European Court of Justice. Going the other way, decentralization was justified by employers on the basis that it was needed in order for them to adapt easily to new technologies and rapidly changing international market opportunities. Martin and Ross, however, are not entirely convinced. They suggest that the push may also represent a return to old-fashioned employer anti-unionism.

The union reversal of fortune was amplified by long run labour force change including "tertiarization, feminization and precarization." These factors shrunk the core of Golden Age union membership which consisted of male industrial workers in full time permanent jobs. Unions also suffered when inflation replaced full employment as the primary goal of macroeconomic policy. The result was high unemployment which undermined union bargaining power and the ability to mobilize strikes and demonstrations. Another feature of the new era is "fiscal exiguity" that reinforces pressures to reduce social benefits that cushion the impact of unemployment, further shifting the balance of bargaining power against unions. Unions have also lost clout because class voting has diminished and because of the divorce, or at least separation, between left parties and trade unions. It is not only right wing parties that have undertaken neoliberal initiatives. Left parties also have privatized, deregulated,

[2] For several relevant essays on the union-party link visit Social Democracy-the Debates at <http://www.straightgoods.ca/SocDem/McGill.cfm>.

[3] Lucio Baccaro, Antohony Daley, Lydia Fraile, Chris Howell, Richard M. Locke, Rianne Mahon and Stephen J. Silvia.

restructured, deindexed wage growth, cut back the public sector, flexibilized the labor market and encouraged entrepreneurs with zeal.

The main body of the book by Martin and Ross consists of chapters analysing union responses to change in the five largest European countries (Britain, France, Germany, Italy and Spain) as well as Sweden (so long seen as the most successful variant of the European model of society) and European level industrial relations.

German and Swedish Unions in the Best Shape

The movements in Germany and Sweden have fared best even though "Swedish unions now face unprecedented unemployment, the beginning of welfare state erosion . . . and declining Social Democratic political reliability." Nevertheless, union membership and near universal bargaining coverage have held up and according to Rianne Mahon, although under intense pressure from employers, "unions have come to accept the need for greater decentralization," they have also been developing new ways of "asserting the interests of wage earners as a collectivity against the employers' drive to individualize the relationship..." The union's new "solidaristic work strategy which has been developed most aggressively by the Metalworkers Union" involves the development of new systems of job classification, new rights to training and new worktime arrangements.

The unions have also been experimenting with new organizational forms such as reinstituting craft units within the context of industrial unions. Some unions have also engaged in intense effort to renew rank and file commitment by employing a combination of survey and face-to-face discussion. Organized labour has made strong efforts to reach out to women and youth with a view towards having them see unionism as the way to accomplish their goals. Sweden's major blue-collar federation has taken to representing itself as Sweden's largest women's organization. Rivalry between the blue-collar and the white-collar federations continues to generate problems but at the union level, there is much inter-union co-operation between them.

In Germany, sectoral corporatism has largely held so far although the unions have had a difficult time adjusting to the knitting together of the two Germanies. Initially the political decision to "extend eastward all of West Germany's laws, organizations and institutional arrangements" proved beneficial for the trade unions. Unification, according to Stephen Silvia, swelled the ranks of German organized labor by 45 per cent. But after 1991, union membership dropped precipitously. By the end of 1997 eastern membership was less than half of what it was in 1991. According to Silvia, easterners allowed their membership to lapse once it became clear that union membership was not necessary to attain amenities and did not guarantee job security.

Due to deindustrialization membership also fell in the west. Nevertheless, established bargaining practices held up because employers' associations and trade unions pulled together with the Kohl government in a common effort to aid in the social and economic transformation of the former Eastern Germany.

By the mid-1990s, however, cracks had begun to develop in the German collective bargaining regime. Employer associations began to lose members and collective bargaining coverage, although still high, started to slide. The biggest problem with the German system is that although it has produced a high degree of equity among its participants, it has managed this only at the expense of those outside the regime, in particular, the unemployed, early retirees, women and others who find themselves involuntarily out of the labour market. High wages and a high tax burden have contributed to a high level of unemployment and the flight of capital to more friendly environs.

To deal with these problems unions and management have been negotiating a two-tier market. The object, according to Silvia, is to create a less expensive compensation package for weaker firms in order to stanch association avoidance among employers and to absorb a good share of the unemployed back into the labor market without completely abandoning control over wage competition. Silvia concludes that labour's long-run place in German society depends largely on their ability to find a way to make unions attractive to non-traditional members.

Italian Unions Experience Resurgence

Italian unions had a large loss of membership in the 1980s but by the 1990s the onslaught had been blunted. Recently they have been able to attenuate chronic organizational pluralism and, according to Richard Locke and Lucio Baccaro, have experienced a remarkable resurgence. In part due to changes in the law, in part due

to changes in Italy's party system (such as the demise of the Christian Democratic and Socialist Parties) and in part due to their own organizational reforms the unions have, Locke and Baccaro tell us, been enjoying renewed legitimacy among rank-and-file workers and are once again able to participate in national economic policy making. In particular, they have been able to trade off concessions to a government set on integrating Italy into the European single market and European Monetary Union for enhanced political influence.

British and French Labour Movements among Hardest Hit

British unions have been among the hardest hit. Chris Howell minces no words. He begins his essay by stating unequivocally that "British trade unions are in crisis." They have lost 40 per cent of their members since the advent of the neo-liberal era and they have seen their political, social, and economic influence dwindle to a level unknown since the interwar period. Not only did they have to deal with deindustrialization during the reign of hostile governments under Margaret Thatcher and then John Major but even their century-old ally, the resurgent Labour Party, has relegated them to the broader population of ordinary interest groups.

French unions, according to Anthony Daley, are also in a state of crisis. They have lost half of their members from an already small base and thus have disappeared in some industries. Daley tells us that "near silence reigns where local unions once displayed vibrancy." At the national level labour's concerns are increasingly less reflected in political agendas. In addition to having to deal with the same challenges confronting their counterparts in other countries, French unions have also contributed greatly to their own problems as a result of continuing inter- and intra-union political maneuvering. Nevertheless, although their capacity to do so is decreasing, they still continue to be able to mobilize substantial social unrest around particular issues such as government cutbacks.

Spanish Labour Stabilizing

After the fall of the Franco regime, Spanish unions found themselves under pressure to co-operate with efforts to institute a workable democracy and to adjust to economic liberalization that was linked to European membership. With unemployment at over 20 per cent for most of the 1990s they were unable to foreclose the low road to economic adjustment based on lower costs and numerical flexibility. Fierce competition between the two major trade union confederations did not help labour's cause. In 1994, labour law was reformed in an effort to reduce the role of law and encourage more collective bargaining. In her chapter, Lydia Fraile concludes that it may now be beginning to have an impact in expanding bargaining agendas.

Transnational Developments

In addition to dealing with the challenges thrown up by the new era within national borders, unions have also reacted by developing international strategies. Many of those efforts are documented in *Transnational Cooperation Among Labor Unions* (Gordon, Turner and contributors, 2000).[4] In their opening chapter, Gordon and Turner review the many obstacles to transnational union co-operation which include: "fear of loss of autonomy . . . religious and ideological differences . . . differences in union structure, collective bargaining practice, and national industrial relations systems . . . contrasting interests and agendas, between, for example, developed countries and developing countries . . . legal constraints and preoccupation with national and local issues." On the positive side the end of the Cold War has brought with it dwindling political divisions within the trade union movement. Advances in communication technology, and especially the Internet, significantly enhances the ability of unions to plan and conduct transnational campaigns. Historically, Turner and Gordon note that unions have attempted within states to follow the market in order, to the extent possible, to take wages out of competition and as markets have become multinational they are stimulated to do the same.

The major institution with which the unions need to deal transnationally is the multinational firm and Harvie Ramsay provides a chapter on the development of

[4] Other contributors: Mark S. Anner, Larry Cohen, Steve Early, David Jessup, Andrew Martin, Harvie Ramsay, George Ross, Jean-Michel Servais, Jim Wilson, John Windmuller and Kenneth S. Zinn.

those organizations and the challenge their global spread represents for trade unions. Jean-Michel Servais discusses the obstacles thrown up by labour law to cross-border co-operation and Michael Gordon, who first initiated this project several years ago, discusses export processing zones and the difficulty of organizing workers employed by firms in those zones.

There are also chapters on long established international union organizations and the efforts that they have been making to deal with new transnational challenges. John Windmuller contributes a chapter on international trade secretariats, Andrew Martin and George Ross update their essay on the European Trade Union Confederation and the halting development of a European industrial relations system, an earlier version of which was included in The Brave New World of European Labor, and Michael Gordon discusses the International Confederation of Free Trade Union's recent initiatives.

One of this book's strongest parts is the section entitled "The Practice of Transnational Cooperation" in which there are several chapters providing specific examples of transnational activities. Jim Wilson's chapter on international co-operation among media unions provides considerable insight into the possibilities and difficulties of initiatives in particular sectors. There is also a chapter on international co-operation among telecommunications unions which includes a discussion of collaboration between American and Mexican unions making use of the North America Free Trade Agreement labour side accord, one on the United Mine Worker's successful international corporate campaign against Peabody and Hanson PLC, one on an international effort that resulted in the negotiation of "the first collective agreement in an Export Processing Zone in the Dominican Republic and to changing the climate of labour relations in that Caribbean country" and a chapter by Mark Anner on international and local union organizing collaboration in Guatemala and Haiti.

Looking for Light at the End of the Tunnel

In their final chapter, Gordon and Turner mention the demonstrations in Seattle aimed at the inclusion of a social clause in the global trading rules of the World Trade Organization but, unfortunately, there is no chapter dedicated to the rise of Civil Society as a key international actor and to labour's contribution to that development. That phenomenon is, however, excellently documented by journalist Naomi Klein in her award-winning book *No Logo* (2000). The labour movement plays only a minor part in her story but as an exposition of the roots of many of the global forces confronting labour her analysis is hard to top.

Another issue that Gordon and Turner neglect is the recent evolution of the notion of labour rights as human rights which provides trade unions with a new ideological resource that might be put to use to build coalitions and stimulate the idealism of young people especially. Human Rights in Employment was the theme of the 53rd meeting of the Industrial Relations Research Association that was held in New Orleans in January 2001. Papers presented at the conference appear in the association's recently published proceedings (Voos, 2001).

No Clear Answer

The materials reviewed here provide no clear answer to the initial question. Whether the union's current crisis is temporary or more permanent remains unclear. Gordon and Turner see signs which they interpret to suggest that transnational union initiatives may be contributing to a resurgence of national and international labour movements. But they admit that "as yet we have no data on the extent or broad effect of transnational collaboration." Within states although some movements have had recent successes it is not at all clear whether those positive developments indicate a real turnaround or mark instead bumps in a long-term downward trend. Harry Katz, in his concluding chapter of the *"Rekindling the Movement"* book (Turner, Katz, Hurd and contributors, 2001), notes that even in the face of intensified efforts, greater expenditures, and significant changes in the style and modes of organizing, to date these efforts have produced limited increases in union membership. Indeed, the latest available figures suggest that union density in the United States continues to fall.[5] With respect to Europe, Martin and Ross are no more sanguine. Instead, their view is that "trade unions are experiencing a deep and prolonged crisis..."

[5] News, Bureau of Labour Statistics at <http://www.bls.gov/news.release/union2.nr0.htm>.

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- Promote injury prevention, rehabilitation and safe, early return-to-work;
- Reduce the human and economic costs of disability.

Nominations for the Awards can be made by workers, unions, employers, public and private sector service providers and any other significantly involved in the disability management field.

Award Categories Include:

- Small Private Organization/Workplace (2 to 500 workers, and may include an independent operating unit of a larger organization) with an internal disability management program;
- Large Private Organization/Workplace (over 500 workers) with an internal disability management program;
- Crown Corporation/Government Agency (over 500 workers) with an internal disability management program;
- Private Sector Service Provider (disability management or return to work);
- Public Sector Initiative by a government or statutory agency.

Two other major categories have been established for the following types of individuals who have contributed to effective Canadian disability management practice:

- Return to Work Coordinator / Disability Management Professional;
- Outstanding Public Leadership in Disability Management.

Award finalists will be notified on April 15, 2002. Further information concerning disability management, including a listing of award recipients, will be published in a future issue of the *Workplace Gazette*.

Facts About Disability in Canada

1 In 1997, direct payroll costs for disability in Canada, including workers' compensation and short- and long-term disability, were $11 billion.

2 For example, in British Columbia alone, direct and indirect costs of workers with disabilities being displaced from the workplace total $3.6 billion per year.

3 This translates to approximately nine cents of every dollar earned, representing an annual cost of about $2,500 per working person in British Columbia.

4 If left unchecked, it is estimated that direct and indirect costs of disability in Canada could rise to $30.5 billion by the year 2006.

5 Studies reveal that employers pay 35 per cent of the total direct and indirect costs of disability, while employees and their families shoulder 27 per cent of the total.

6 The financial loss to workers is profound. For example, for an employee who is disabled at age 35, previously earning $50,000 per year and forced to go on social assistance, the loss-of-earnings to retirement age is estimated at $799,000.

7 In 1999, persons with disabilities represented a 2.3 per cent participation rate in Canada's labour force, a further decline from an already low of 2.7 per cent the previous year.

8 In a 1999 study of one of the nation's primary industries, the pulp and paper industry, the direct cost of disability to employers was more than $2,000 per employee. That figure translates directly to the bottom line adding between $4.50 to $7.25 per tonne in disability-related costs to pulp and paper products.

9 Studies show that without intervention, there is only a 50 per cent chance of a person with a disability returning to the workplace after a six-month absence, declining to 20 per cent after a year and to just 10 per cent after a two-year absence.

10 At any given time depending on the occupation involved, 8 to 12 per cent of the workforce in Canada is off the job due to injury and is receiving either worker's compensation, long-term disability or weekly indemnity. Billions of dollars are lost each year in benefit payments and lost productivity.

For more information contact:

National Institute of Disability Management and Research

Telephone: British Columbia (250) 724-4344/8745 or
Ontario (613) 260-2951

Fax: (250) 724-8776
Website: www.nidmar.ca

National Institute of Disability Management and Research™

EMPLOYMENT EQUITY MERIT AWARDS—2002

For over a decade, since the Government of Canada introduced the Merit Awards Program in 1990, many companies have been recognized for their commitment to employment equity. The momentum towards an inclusive work force continues and is acknowledged this year in the outstanding examples of five organizations. These organizations deserve special recognition for their creativeness and for their special efforts in the important endeavour of workplace equity.

The Vison Award for recognition of outstanding creative and innovative approaches to the implementation of equity and fairness in the workplace has been presented to:

Manitoba Hydro

Merit Certificates, which recognize organizations for special and continuing efforts towards attaining a representative workforce, have been presented to four organizations.

- ***Arnold Bros. Transport Ltd.***
- ***Telesat Canada***
- ***Canadian Imperial Bank of Commerce***
- ***Husky Energy***

An article describing the profiles of the winning organizations will be published in the next issue of the *Workplace Gazette*.

SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and Other Statutory Instruments

Michel Gauvin and Charles Philippe Rochon
Strategic Policy and International Labour Affairs
Labour Program, Human Resources Development Canada

New Brunswick: *An Act to Amend the Occupational Health and Safety Act*; Bill 2 Assented to December 21, 2001

This Act, which will come into force by proclamation, will introduce a definition of "contracting employer" (i.e. a person who through a contract, agreement or ownership, directs the activities of one or more employers), and will require that every contracting employer comply with the *Occupational Health and Safety Act*, the regulations and any order made under their provisions. So far as is reasonably practicable, a contracting employer who directs the activities of one or more employers involved in work at a place of employment will also be required to ensure that each employer complies with the *Act* and the regulations.

Amendments will also be made to the provisions relating to the right to refuse dangerous work. When an occupational health and safety officer finds that an employee does not have reasonable grounds for believing that certain work is likely to endanger his/her health or safety or that of another employee, the officer will have to advise the employee in writing to do that work. The right to refuse of an employee, who has appealed that officer's advice, will be protected until the appeal process is concluded. In such as case, the employee will be required to remain available at a safe place near his/her work station during his/her normal working hours.

Another amendment will extend from 7 to 14 days the delay for appealing an order given by an occupational health and safety officer.

Newfoundland and Labrador: *An Act to Amend the Labour Standards Act*; Bill 54, Assented to December 13, 2001

Once it comes into effect, Bill 54 will bring a number of amendments to the province's *Labour Standards Act*. Following are the key changes and additions to the *Act*'s provisions:

Vacations

- Section 8 of the *Act* (Annual vacation with pay) will be clarified by stipulating that an employer must permit an employee entitled to two weeks of vacation to take his/her vacation in one unbroken period or in two unbroken periods of one week each. This will be at the employee's choice, provided that written notice of his/her intention was given not later than the date of entitlement to the vacation. Nevertheless, an employer and an employee can agree on shorter vacation periods. (These provisions will be equivalent to those that currently apply to employees entitled to three weeks of vacation).

- An employer will still normally be required to provide an employee at least two weeks' written notice of the dates of the annual vacation. However, a new provision will require that an employer, where he/she cancels or changes the dates on an employee's previously approved annual vacation, reimburse reasonable vacation-related expenses incurred by the employee that are not otherwise recoverable.

- Pay records will have to indicate the amount of vacation pay paid to an employee.

Public Holidays

- Remembrance Day will be added to the five paid public holidays currently recognized in the *Labour Standards Act*. It should be noted that Remembrance Day is already recognized as a holiday in the province's *Shops' Closing Act*.

- A new provision will indicate the manner in which public holiday pay is to be calculated. An eligible employee's public holiday pay will be equivalent to his/her hourly rate of pay multiplied by the average number of hours worked in a day in the three weeks immediately preceding the holiday.

- The requirement that employees, to qualify for holiday pay, not be absent from work for more than 15 of the 30 days immediately preceding a public holiday, will be repealed.

Hours of Work

- Previously excluded management employees will be entitled to a weekly day of rest.

- Instead of receiving overtime pay, an employee will be able to agree with his/her employer to take one and a half hours of paid time off for each hour of overtime worked. This paid time off will have to be taken within three months—or within 12 months with the employee's agreement—of the work week in which the overtime was earned. Should an employee's employment end before paid time off is taken, the employer will have to pay him/her the equivalent overtime pay.

- An employer, where he/she grants an employee's written request to a change in work schedule, will not be required to pay overtime if this results in the employee working more than the standard working hours (currently 40 hours in a work week).

Payment of Wages

- The definition of "bank" will be modified to allow an employer to pay wages by a cheque drawn on a credit union. Subject to the employee's consent, it will also be possible for an employer to pay by direct deposit into an account of a bank of the employee's choice.

- The amount of an employee's claim priority over unpaid wages will be increased from $2,000 to $7,500. In addition, an employer will be considered to hold in trust wages owing to an employee, even if wages are not held separately from the other money of the employer.

- With some exceptions (e.g., in the case of philanthropic and charitable organizations), directors of a corporation will be jointly and individually liable for up to two months of unpaid wages should the employer become insolvent or for an amount set out in an order of the Director of Labour Standards or of the Labour Relations Board. Wages for which directors will be liable include employees' vacation pay, holiday pay and overtime wages, but exclude termination pay as provided for under the *Act*. Although an employer will not be permitted to relieve a director from his/her duties and liabilities under the *Act*, it will be allowed to indemnify a director or former director against all costs, charges and expenses reasonably incurred with respect to a civil or administrative action or proceeding related to his/her capacity as director, where he/she acted honestly and in good faith, and where he/she had reasonable grounds for believing his/her conduct was lawful. Moreover, a director will not be liable for unpaid wages under the *Act* where he/she exercised due diligence.

- Language concerning the minimum frequency of wage payments will be clarified. An employer will have to pay all wages earned by an employee in a pay period "at least half monthly and within seven days after the end of the pay period". This section will no longer be subject to regulations.

- An amendment will also clarify the deductions an employer is permitted to make from an employee's wages.

- A new section will forbid employers from requiring employees to pay for a uniform where it is unique to, and identified with, their business operation, to the extent that the uniform would be useless to the employees should their employment be terminated.

- Besides specifying that tips and gratuities belong to the employee for whom they are given, amendments will allow employers to make statutory deductions from tips or gratuities where they are in the form of a surcharge or other charge, or where they are paid by credit card or debit card.

Bereavement, Family Responsibility and Sick Leave

- Bereavement leave provisions will be amended to add "daughter-in-law" and "son-in-law" to the list of relatives in the event of whose death a leave can be taken. To qualify for one paid day and two unpaid days of bereavement leave, employees will be required to have been employed with the same employer for a continuous period of 30 days. Employees who do not meet this requirement will

nevertheless be entitled to two days of unpaid bereavement leave. Where a paid leave is provided, an employee's wages for the day will be calculated by multiplying his/her hourly rate of pay by the average number of hours worked in a day in the three weeks immediately preceding the bereavement leave. An additional amendment will allow an employee who takes a paid day of bereavement leave during an annual vacation to extend the latter by one extra day.

- Important changes will be made to the *Act's* existing sick leave provisions. (Currently, employees covered by the *Act* who have completed six continuous months of service with the same employer are entitled to five days of sick leave in a year if they provide a medical certificate). A new provision will allow employees who have been employed under a contract of service with the same employer for a continuous period of 30 days to take a combined total of seven days of unpaid sick leave *or family responsibility leave* in a year. An employee will only be required to provide a medical certificate when taking a period of three or more consecutive days of sick leave; a written statement explaining the nature of the family emergency will be required for a family responsibility leave of three consecutive days or more. The *Act* will specify that an unused portion of sick leave and family responsibility leave expires at the end of the year in which it was granted.

Individual Termination of Employment

- Employers and employees will no longer have the option of waiving the requirement to provide written notice of termination or temporary layoff.

- The period of notice that must normally be given—subject to some exceptions—when the employer or the employee terminates a contract of service will be increased for employees with longer lengths of service. It will range from one week of notice—or a payment equivalent to the normal wages that would have been paid/earned during the period of notice—where the employee has been continuously employed by the employer for a period of three months or more but less than two years, to six weeks for an employee with a period of service of 15 years or more. (Note that in contrast to other jurisdictions, an employee who fails to provide adequate notice before terminating a contract of employment may be required to make a payment to the employer).

- Instead of providing a notice of intention to terminate when terminating the employment of 50 or more employees in a four-week period, an employer will be allowed to pay the affected employees an amount equivalent to the normal wages they would otherwise have earned during the notice period.

Administrative Changes

- Amendments to the *Act* will eliminate the standing Labour Standards Board. In its stead, the Lieutenant-Governor in Council will have the authority to periodically appoint a new Labour Standards Board to advise it on matters coming within the scope of the *Labour Standards Act*. The current system of adjudicators will also be abolished. Most of the duties and powers which are currently conferred to the Labour Standards Board and to adjudicators will be transferred to the Labour Relations Board, the Director of Labour Standards and the Minister of Labour.

- For example, the Minister of Labour, instead of the Labour Standards Board, will be responsible for reviewing, at least once every two years, the regulations respecting minimum wages.

- The authority to hear appeals, which currently rests with adjudicators, will be transferred to the Chairperson and the Vice-Chairperson of the Labour Relations Board.

- Clauses that permitted a person, where aggrieved and affected by the breach of a provision of Parts I to XI of the *Act* by an employer or an employee, to make an application to the Minister of Labour for referral of the matter to an adjudicator, will be repealed. Moreover, appeals of a determination of the Director of Labour Standards will have to be made to the Labour Relations Board, instead of to the Minister of Labour.

- The limitation period for making a complaint to the Director of Labour Standards will be increased from six months to two years. However, it will not be possible to make a complaint later than six months after the date of termination of an employee's contract.

- A determination of the Director of Labour Standards, where it is filed in the registry of the Supreme Court, will be enforceable as if it were an order of the Trial Division.

- A new general offence for failure to comply with the *Act* will be created. Fines will range from $200 to $2,000. Default of payment could lead to imprisonment of up to three months.

Reciprocal Enforcement of Orders

- A new section will provide for the reciprocal enforcement of orders in relation to the payment of wages with provinces and territories recognized by the Lieutenant-Governor in Council as reciprocating jurisdictions.

Miscellaneous Changes

- An employer will have to display, in a prominent and visible place in the workplace, a copy of the *Labour Standards Act* and the regulations made under it.

- An employer will have to provide a written statement of the terms and conditions of employment to every employee. The employer will also be required to keep a copy of the statement and allow the employee concerned to have access to it.

- A number of consequential and transitory amendments will be made to many sections of the *Labour Standards Act*, as well as to the *Labour Relations Act*.

The *Act to Amend the Labour Standards Act* will come into force on a date or dates to be set by the government. In a press release dated December 6, 2001, the Minister of Labour announced that the *Act* will take effect on July 1, 2002. The same press release indicated that the current legislation concerning minimum overtime pay will also be amended. Overtime pay, currently set at one and a half times the provincial minimum wage in the *Labour Standards Regulations*, will be changed to one and a half times an employee's *regular hourly wage*. This amendment should be effective April 1, 2003.

Ontario: Amendments to the *Industrial Establishments Regulation* under the *Occupational Health and Safety Act*; O. Reg. 488/01; Gazette of December 29, 2001

Amendments have been made to the *Industrial Establishments Regulation* to enhance safety training requirements for workers employed in logging operations. The amendments will update training for cutters and skidder operators and mandate additional new safety training for operators of mechanical harvesting equipment and their supervisors. These amendments will take effect on June 1, 2002.

For additional information on recently adopted or proposed changes to Canadian Labour Laws, please visit the Labour Program Web site at:

http://labour-travail.hrdc-drhc.gc.ca

and click on "Canadian Labour Law Information".

READERS' CORNER

Michèle Auger, Fred Longley and Edward Popoff
Library and Information Management Services
Human Resources Development Canada

HRDC Departmental Library

Violence at Work

Cahill, Bryan. The Disgruntled Employees' Ultimate Handbook. Victoria, B.C.: Tafford, c2000.
HRDC HF5549 E43 C33

Workplace violence has escalated to an all-time high. This how-to book, written from the employee viewpoint, is designed to help the disgruntled employee and the manager avoid potential workplace violence and to assist the employee in obtaining redress for perceived injustices. Cahill discusses gathering facts, reporting harassing behaviour, learning about company policies, and anger management techniques.

Cantin, Jean-Maurice. Abuse of Authority in the Workplace: A Form of Harassment. Scarborough, Ont.: Carswell, c2000.
HRDC 5549.5 E43C35

This work defines abuse of authority as a form of workplace harassment, and discusses the process that must be followed in Canada when a complaint of abuse of authority is filed. The author covers identification of the abuse, handling of complaints, conciliation and mediation, and case law sanctions. He concludes with a discussion of the means of preventing abuse of workplace authority.

Chappell, Duncan and Vittorio Di Martino. Violence at Work. 2nd ed. Geneva: International Labour Office, 2000.
HRDC HD7804 C42 2000

The alarming growth of violence at work over the past decade has made it a priority issue for many governments, employee organizations and employers. The notion of violence at work has evolved from physical violence to include psychological aggression. Based on current, detailed data, this study analyzes the patterns and causes of workplace violence around the world and related social and economic costs. It presents the most successful methods for prevention of workplace violence, including innovative new strategies. The book includes an analysis of legislative and regulatory interventions and of new collective agreements to combat workplace violence.

Denenberg, Richard V. and Mark Braverman. **The Violence-Prone Workplace: A New Approach to Dealing with Hostile, Threatening and Uncivil Behavior**. Ithaca: ILR Press, 1999.
HRDC HF5549.5 E43 D46

The authors state that violence in the workplace typically results from conflicts allowed to fester. Combining insights from crisis management and dispute resolution, they describe factors in the workplace which can promote extreme behaviour and prevent effective managerial response. Early intervention in hostile work situations is recommended, and techniques are presented for the development of a violence-resistant workplace. The work includes an analysis of responses to actual or potential danger in 14 real-life examples, and sample violence prevention policies.

McClure, Lynne Falkin. **Anger and Conflict in the Workplace: Spot the Signs, Avoid the Trauma**. Manassas Park, Va: Impact, c2000.
HRDC HF5549.5 E43 M34

McClure identifies eight types of anger, often unnoticed, found in many workplaces. She then examines each in reference to seven skills that managers and employees can develop to manage their own and others' anger in a systematic, long-term manner. Over 50 behavioural models are included. The less stressful the workplace becomes, the more productive it will be.

Namie, Gary and Ruth Namie. **The Bully at Work: What You Can Do to Stop the Hurt and Reclaim Your Dignity on the Job**. Napierville, Ill.: Sourcebooks, 2000.
HRDC HF5549.5 E43 N34

Bullying is defined in this book as "the repeated, malicious verbal mistreatment of a Target (the recipient) by a harassing bully (the perpetrator) that is driven by the bully's need to control the Target." The authors discuss how workplace bullying is harmful and why it occurs. They describe efforts in Europe to prevent bullying, where it is taken more seriously than in North America. They offer bully-proofing techniques and show how targets, once prepared emotionally, can move on to neutralize the bully.

Rhodes, Daniel and Kathleen Rhodes. **Vampires: Emotional Predators Who Want to Suck the Life Out of You**. Amhurst, N.Y.: Prometheus Books, 1998.
HRDC BF637 I48 R48

This book describes the process of psychological manipulation with which we are all confronted at one time or another in our work, family or other environments. The authors discuss, with examples, the methods used by emotional predators and the resulting psychological damage which affects the health, careers and social life of their victims. Techniques are presented to neutralize or at least combat the effects of an emotional attack.

F-2

Smith, Gerry. Work Rage: Identify the Problems, Implement the Solutions. Toronto: Harper Business, c2000.
HRDC HF5549.5 E43 S64 2000

Smith, a specialist in employee assistance issues, examines the causes behind the increase in workplace rage in Canada. He also scrutinizes stress and the level of tolerance in corporate culture for confrontational behaviour and discusses early warning signs of aggressive workplace behaviour. He offers employees and employers strategies for crisis response and prevention of workplace violence.

Violence in the Workplace: Prevention Guide prepared by Canadian Centre for Occupational Safety and Health. Hamilton, Ont.: The Centre, 1999.
HRDC HF5549.5 E43 V54

This pocket size guide defines the various forms of workplace violence and provides detailed advice on developing a workplace violence prevention program. It also provides an overview of Canadian occupational safety and health legislation and related government agencies.

NOTES

1. *For other available references in French language only, see the French version of the Workplace Gazette / Gazette du travail.*

2. *Human Resources Development Canada employees can borrow these items from the Departmental Library. Others can borrow them through their own library.*

Tel.: (819) 994-2603
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E-mail: circulation.library-bibliothèque@hrdc-drhc.gc.ca
Web Site: http://www.hrdc-drhc.gc.ca/library/common/lib.shtml

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Odette Boudreau
Income Security Programs, Communications
Human Resources Development Canada

75 Years of Public Pensions in Canada

We've come a long way! From humble beginnings in 1927 to a well-established internationally recognized public pension system—we can be proud of the contribution we've made to improve the quality of life of seniors.

In 1927, seniors didn't qualify for the Old Age Pension benefit unless they passed a "means test". The test was applied to an applicant's income (property, assets, or relatives who might provide assistance). Minimum age to apply was 70 so, if an applicant was 70 years old and had a total yearly income (with the pension benefits) of no more than $365, they were eligible to receive a pension.

When seniors started receiving a pension, their benefit was just $20 a month. There was even a provision in the Old Age Pension Program that allowed the government to recover the total amount of benefits when a pension holder died. Provincial officials were permitted (in fact encouraged) to recover benefits from the estate, with 5.0 per cent annual interest.

While it may have had simple beginnings, Canada's first Old Age Pension Program set an important precedent for seniors in need of public financial assistance.

Throughout the years, many changes have been made to Canada's public pensions. The minimum age to apply for Old Age Security has been reduced to 65 and every senior is entitled to benefits as long as they meet the residency requirements.

The Canada Pension Plan was created to provide retirement pensions, disability benefits and survivors' benefits to all Canadians who contribute to it. Quebec operates a similar plan—the Quebec Pension Plan. Old Age Security and the Canada/Quebec Pension Plan are the first two levels of Canada's retirement income system.

By the last decade of the 20th century, public pensions had evolved to become an internationally recognized success story. The proportion of seniors living below the poverty line has decreased from 20.8 per cent in 1980 to 8.9 per cent in 1998. This dramatic decline in poverty among seniors can be attributed largely to Canada's public pension system.

History of Canada's Public Pensions

Canada's Public Pensions have gone through several changes. Some of the most significant changes have been:

1927 *Old Age Pensions Act* introduced;

1952 *Old Age Security Act* [illegible] replacing Old Age Pens[illegible];

1965 Age of eligibility dropped from 70 to 65;

1966 Canada Pension Plan and Quebec Pension Plan introduced;

1967 Canada Pension Plan retirement pensions now payable;

1967 Guaranteed Income Supplement introduced;

1968 Canada Pension Plan survivors' benefits now payable;

1970 Canada Pension Plan disability benefits now payable;

1973 Old Age Security benefits indexed quarterly to Consumer Price Index;

1974 Canada Pension Plan benefits indexed quarterly to Consumer Price Index;

1975 Spouse's Allowance introduced;

1977 Partial Old Age Security pensions introduced based on years of residence in Canada;

1977 Credit-splitting and Child Rearing Drop-Out added to the Canada Pension Plan;

1977 Old Age Security included in international social security agreements;

1979 Spouse's Allowance extended to widows, aged 60-64, whose spouses were Old Age Security recipients;

1985 Spouse's Allowance extended to all low-income widows and widowers aged 60 to 64;

1988 Canada Pension Plan benefits and obligations extended to Aboriginal people earning income on reserves;

1998 Canada Pension Plan Investment Board established; and

2000 Old Age Security and Canada Pension Plan benefits and obligations extended to same-sex common-law partners.

The original version of this article is published in the February edition of Human Resources Development Canada internal newsletter, ZOOM

For more information on Canada's public pensions, visit the Human Resources Development Canada Web site at

http://www.hrdc-drhc.gc.ca/isp

Workplace Information

Information sur les milieux de travail

INFORMATION PRODUCTS AND CLIENT SERVICES

Client Services

The Workplace Information Directorate is your source for up-to-date, customized information on industrial relations and collective bargaining in Canada.

By meeting your specific research needs, we can assist you in preparing for the resolution of issues at the bargaining table. We can also help you keep abreast of developments in the industrial relations field through our information service and publications. Our resources are used by negotiators, researchers, economists, consultants, journalists, teachers and many others.

Wage Settlements Bulletin

A monthly publication providing the most up-to-date information and analysis of major wage developments in collective bargaining in Canada. The Bulletin is a valuable and recognized reference source providing statistical and analytical information illustrated with useful charts and tables on recent wage developments. The aggregate data and details are published in the following groupings: public and private sectors, regions and jurisdictions, and major industry groups. Annual subscription: Canada, $200 plus 7% GST ($214); other countries, U.S. $200. (Available by e-mail, mail or fax).

Workplace Gazette

A quarterly publication providing data on wage adjustments from major collective bargaining settlements in Canada by public and private sectors, by region, by jurisdiction and by major industry; detailed analysis of selected provisions in major agreements; a chronological perspective on work stoppages; and, information on innovative workplace practices resulting from collective bargaining. It also features articles and case studies on pertinent industrial relations matters. Annual subscription: Canada, $125 plus 7% GST ($133.75); other countries, U.S. $125. (Available by mail only).

Collective Bargaining Bulletin

A monthly publication containing timely information based on recently signed major collective agreements in Canada. The publication focuses on summaries of changes to wages and benefits in selected settlements, the status of key negotiations as well as data on work stoppages. Also included is a list containing major settlement reports currently available on the Negotech database. Annual subscription: Canada, $50 plus 7% GST ($53.50); other countries, U.S. $50. (Available by e-mail and mail).

Negotech

A searchable labour relations database providing timely information on the key aspects (settlement reports and full collective agreement contract language) of collective bargaining in Canada. Access via the Internet. Available ***free*** as an added value to subscribers of our publications.

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For further information, contact the Workplace Information Directorate:

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